

# Arizona Travel Impacts *1998-2010p*



photo courtesy of Arizona Office of Tourism

June 2011

*Prepared for the*

Arizona Office of Tourism  
Phoenix, Arizona



# **ARIZONA TRAVEL IMPACTS 1998-2010P**

Arizona Office of Tourism

Primary Research Conducted By:  
Dean Runyan Associates  
Portland, Arizona

**June 2011**

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## EXECUTIVE SUMMARY

This report describes the economic impacts of travel to and through Arizona and the state's fifteen counties. The estimates of the direct impacts associated with traveler spending in Arizona were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The estimates for Arizona are comparable to the U.S. Travel and Tourism Satellite Accounts produced by the Bureau of Economic Analysis. The estimates of spending, earnings, employment and tax receipts are also used as input data to derive estimates of other economic measures, including gross domestic product (GDP) and secondary effects of the travel industry.

### SIGNS OF IMPROVEMENT IN THE ARIZONA TRAVEL INDUSTRY

Following two years of steep declines in travel activity, the Arizona travel industry began to recover during 2010. Most indicators of travel activity in the state, including visitation and real visitor spending, were up. However, because of the severity of the recent recession, these gains were not translated into travel-generated employment as employers more often improved their balance sheets and increased the work hours of existing employees. A continuation of growth in visitation and spending should favorably affect future employment levels.

- **Spending.** Travel spending (\$17.7 billion in 2010) in Arizona increased by 7.9 percent from 2009 to 2010 in current dollars and 4.6 percent when adjusted for inflation. The primary price increases were in transportation, especially motor fuel. Room rates declined by 3.2 percent, from 2009 to 2010, following an 11.9 percent the preceding year.<sup>1</sup>
- **Employment.** Travel-generated employment (152,200 jobs in 2010) decreased by 2.5 percent in Arizona from 2009 to 2010, following a 6.4 percent decrease the preceding year. Employment typically lags visitor spending following deep recessions. Improvement in the employment picture will occur with continued expansion of the travel industry.
- **Travel Activity.** According to Smith Travel Research, room demand in Arizona increased by 8.1 percent from 2009 to 2010. Visitor air arrivals on domestic flights increased by 0.5 percent following two years of 8 percent decreases.
- **Secondary Impacts.** The re-spending of travel-related revenues by businesses and employees supported 131,000 additional jobs outside of the travel industry.
- **GDP.** The Gross Domestic Product of the travel industry was \$6.7 billion in 2010. The travel industry and the microelectronics industry have been the top two export-oriented industries in the state in recent years.

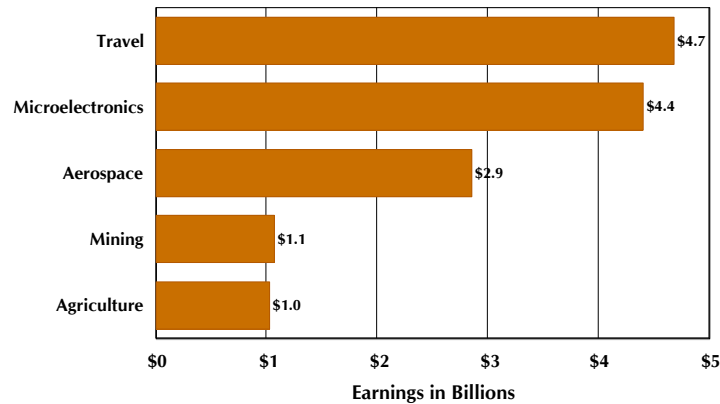
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<sup>1</sup> Smith Travel Research reports prepared for Arizona Office of Tourism.

## THE ARIZONA TRAVEL INDUSTRY IS A LEADING EXPORT-ORIENTED INDUSTRY

Travel and tourism is one of the most important **“export-oriented”** industries in Arizona. Spending by visitors generates sales in lodging, food services, recreation, transportation and retail businesses – the “travel industry.” These sales support jobs for Arizona residents and contribute tax revenue to local and state governments. Travel is especially important in the non-metropolitan areas of the state, where manufacturing and traded services are less prevalent.

### *Selected Arizona Export-Oriented Industries, 2010p*

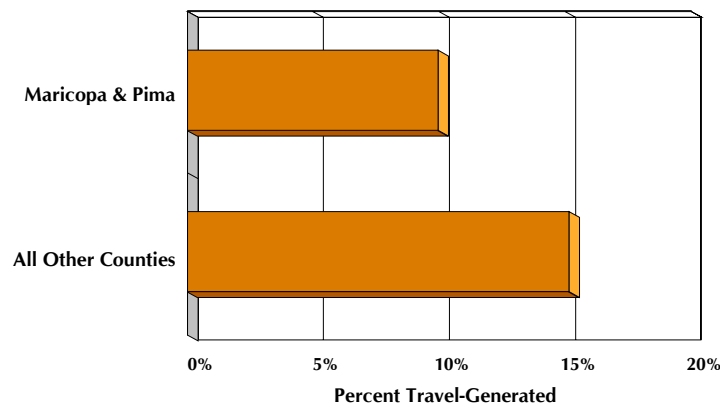


Note: Preliminary 2010 estimates by Dean Runyan Associates.  
Agriculture includes food and beverage processing industries.

## THE TRAVEL INDUSTRY GENERATES TAX BENEFITS FOR ARIZONA RESIDENTS

- In 2010, the travel industry generated \$1,040 in local, state and federal tax receipts for each Arizona household.
- In 2010, 6.5 percent of all local and state tax revenues were generated by the travel industry.
- The tax revenue impacts of the Arizona travel industry are relatively more important in non-urban counties (see graph).

### *State Transaction Privilege Taxes Generated By Direct Travel Spending, 2010 FY*



## ARIZONA TRAVEL IMPACTS, 1998-2010P

	page
<b>I. U.S. Travel</b>	<b>1</b>
<b>II. Arizona Travel</b>	<b>5</b>
Summary of Arizona Travel	6
Travel Trends	7
Visitor Origin	9
Travel Related Construction Activity	10
Arizona Travel Industry Gross Domestic Product	11
Gross Domestic Product of Arizona Export-Oriented Industries	12
Direct, Secondary & Total Impacts	13
<b>III. State and Local Government Revenue</b>	<b>19</b>
<b>IV. County Travel Impacts</b>	<b>25</b>
<b>Appendices</b>	<b>47</b>
A. Regional Travel Impact Model	48
B. Travel Industry Accounts: A comparison of the Regional Travel Impact Model and Travel & Tourism Satellite Accounts	55
C. Arizona Earnings and Employment by Industry Sector	67
D. Secondary Impacts Industry Groups	69

## List of Tables and Figures

	page
<b>I. US Travel</b>	
U.S. Direct Travel Spending in Current and Constant Dollars, 2000-2010	2
Annual US Travel Spending, 2008Q1-2010Q4	2
International Direct Travel Spending in U.S. 2000-2010p	3
Overseas Arrivals to the U.S.	3
U.S. Travel Industry Employment, 2008Q1-2010Q4	4
U.S. Leisure & Hosp. Sector Average Weekly Hours, 2008-Q1 to 2010-Q4	4
<b>II. Arizona Travel</b>	
Arizona Travel Trends, 1998-2010p	7
Arizona Travel Spending in Current and Constant Dollars, 2000-2010p	8
Air Passenger Visitor Arrivals to Arizona, US Air Carriers, 2000-2010	8
Arizona Room Demand, 2008-Q1 to 2010-Q4	8
Arizona Travel Impacts by Origin of Visitor, 2010p	9
International Visitor Spending in Arizona, 2000-2010p	9
Value of New Construction in Travel-Related Buildings, 2004-2009	10
Arizona Travel Industry Gross Domestic Product, 2010p	11
Arizona Gross Domestic Product, 2006-09 (Selected Export-Oriented Industries)	12
Total Employment and Earnings Generated by Travel Spending in Arizona, 2010p	13
Direct & Secondary Employment Generated by Travel Spending, 2010p (graph)	15
Direct & Secondary Earnings Generated by Travel Spending, 2010p (graph)	15
Direct & Secondary Employment Generated by Travel Spending, 2010p (table)	16
Direct & Secondary Earnings Generated by Travel Spending, 2010p (table)	16
Arizona Travel Impacts, 2000-2010p (detail)	17
<b>III. State and Local Government Revenue</b>	<b>23</b>
Arizona State & Local Tax Revenue, 2007-08 FY	23
Arizona Travel Industry State & Local Tax Revenues, 2007-08 FY	24
Arizona State & Local Tax Revenues, 2007-08 FY (table)	25
GDP and Tax Payments of Selected Arizona Industries, 2007	26
Tax Payments as Percent of GDP for Selected Arizona Industries, 2007	26
State Transaction Privilege Taxes Generated by Travel Spending, 2009 FY	27-28
<b>IV. County Travel Impacts</b>	<b>29</b>
Travel-Generated Earnings Shares, 2010p	30-31
Travel-Generated Employment and Earnings Shares by County, 2010p	32
County Impact Summary Tables	33-36
County Impact Detail Tables, 2000-2010p	37-50



## PREFACE

The purpose of this study is to document the economic significance of the travel industry in Arizona from 1998 to 2010. These findings show the level of travel spending by visitors traveling to and within the state, and the impact this spending had on the economy in terms of earnings, employment and tax revenue.

Dean Runyan Associates prepared this study for the Arizona Office of Tourism. Dean Runyan Associates has specialized in research and planning services for the travel, tourism and recreation industry since 1984. With respect to economic impact analysis, the firm developed and currently maintains the Regional Travel Impact Model (RTIM), a proprietary computer model for analyzing travel economic impacts at the state, regional and local level. Dean Runyan Associates also has extensive experience in project feasibility analysis, market evaluation, survey research and travel and tourism planning.

Many individuals and organizations provided data and assistance for this report. State agencies include the Department of Revenue, Department of Commerce, Gaming Commission and State Parks. Information was also provided by the College of Business and Public Administration at the University of Arizona and the School of Hotel and Restaurant Management at Northern Arizona University. Federal agencies that provided essential data for this report include the Bureau of Economic Analysis, the Department of Labor, the Department of Transportation, the U.S. Forest Service, and the National Park Service.

Special thanks are due to Melissa Elkins, Research Manager for the Arizona Office of Tourism. Without her support and assistance, this report would not have been possible.

Dean Runyan Associates  
833 SW 11th Ave., Suite 920  
Portland, OR 97205

(503) 226-2973  
[info@deanrunyan.com](mailto:info@deanrunyan.com)  
[www.deanrunyan.com](http://www.deanrunyan.com)

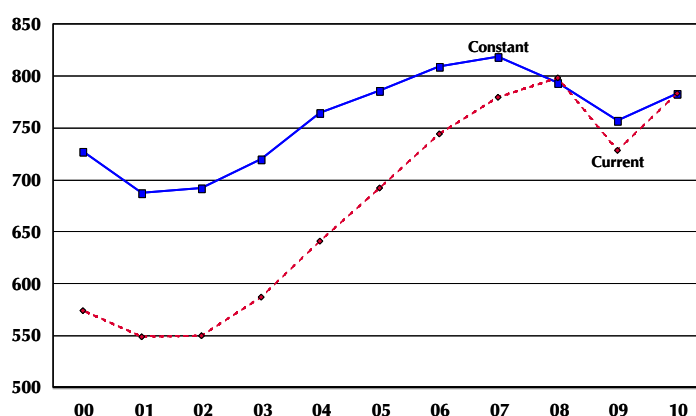
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## I. U.S. TRAVEL



U.S. direct travel spending by domestic and international visitors was \$783 billion in 2010 in current dollars. This represents a 7.4 percent increase over 2009. When adjusted for changes in prices (constant dollars), travel spending increased by 3.4 percent. Although travel spending is now increasing at greater rate than overall economic growth, travel spending still remains below its 2005-08 level in real terms.

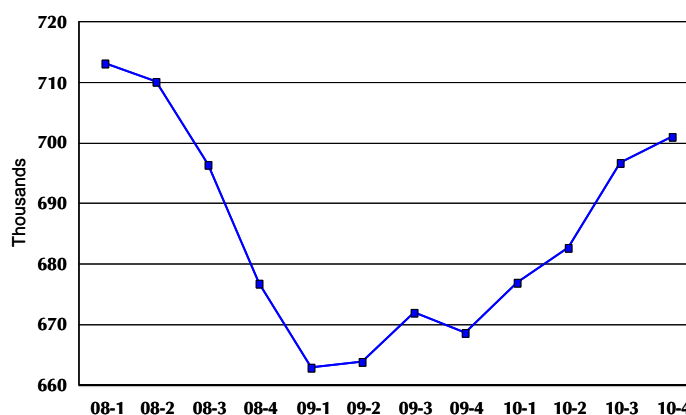
### U.S. Direct Travel Spending in Current and Constant Dollars, 2000-2010 (\$Billions)



Source: Bureau of Economic Analysis Travel & Tourism Satellite Accounts. Constant (2010) travel spending estimates derived from BEA constant (2005) dollar estimates by Dean Runyan Associates, Inc.

The graph below shows quarterly travel spending in annualized constant dollars (i.e., the effects of seasonality and inflation have been removed). The annual rate of increase for the fourth quarter of 2010 was 2.5 percent. It was 8.6, 3.4 and 5.0 percent for the three preceding quarters, respectively. According to the Bureau of Economic Analysis, the slower rate of growth in the fourth quarter was primarily due to price increases in international air travel.<sup>2</sup>

### Annual U.S. Travel Spending, 2008-Q1 to 2010-Q4 Seasonally adjusted chained (2005) Dollars



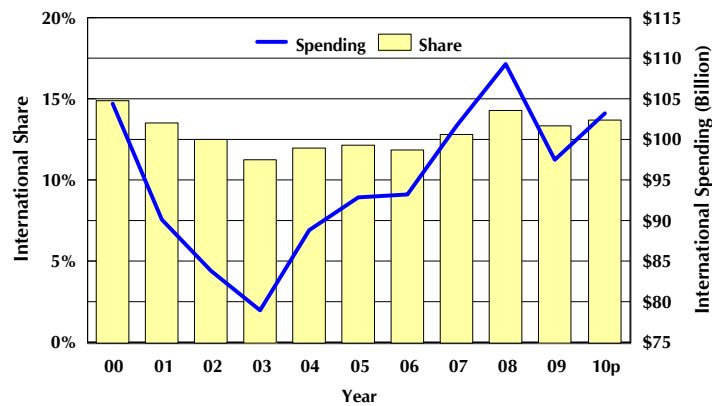
Source: Bureau of Economic Analysis Travel & Tourism Satellite Accounts.

<sup>2</sup> U.S. Department of Commerce Bureau of Economic Analysis New Release (March 18, 2011).

The share of internal travel in the United States by non-U.S. residents was 13.7 percent in 2010, compared to 13.4 percent in 2009. However, the international share of internal travel is still below the level at the beginning of the decade, prior to the events of 9/11 (14.9 percent).

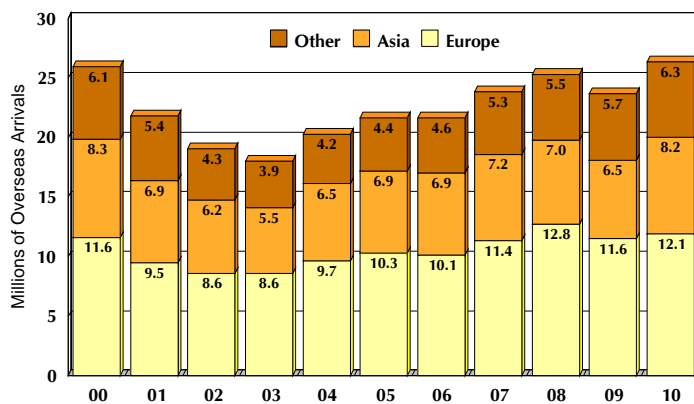
### International Direct Travel Spending in U.S., 2000-2010p

Amounts in Current Dollars  
International Share of U.S. Internal Travel\*

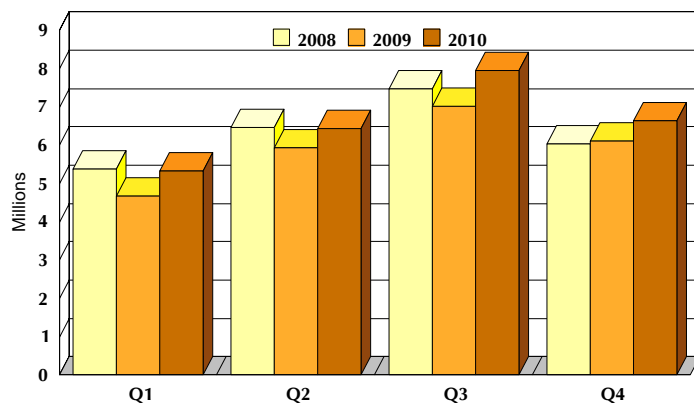


Sources: Bureau of Economic Analysis and Dean Runyan Associates, Inc. International spending from BEA International Transactions. Preliminary estimates (2010p) by Dean Runyan Associates. \*Airfares for international flights on U.S. air carriers are not included.

### Overseas Arrivals to the United States



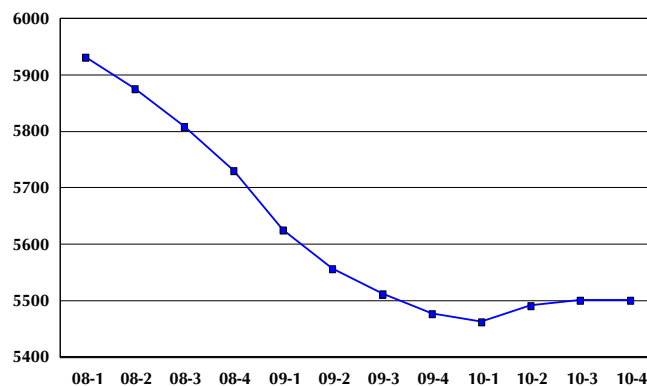
Estimated overseas arrivals to the United States increased by 11.8 in 2010 (preliminary) over 2009, following an annual decrease of 6.3 percent the prior year. Total overseas arrivals for 2010 were equivalent to the level attained in 2000.



Sources: U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries. Preliminary estimates by Dean Runyan Associates, Inc.

Changes in travel industry employment usually lag changes in real travel spending, as is often the case in other industries. Travel industry employment declined throughout 2009, even though real travel spending was essentially flat during this period. (See graph on page 2.) Similarly, employment growth in 2010 has been more moderate than the real increase in travel spending during this period.

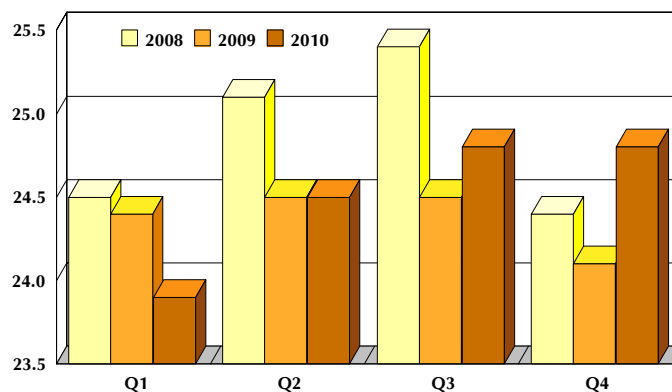
### U.S. Travel Industry Employment, 2008-Q1 to 2010-Q4 Seasonally Adjusted at Annual Rates



Source: Bureau of Economic Analysis Travel & Tourism Satellite Accounts.

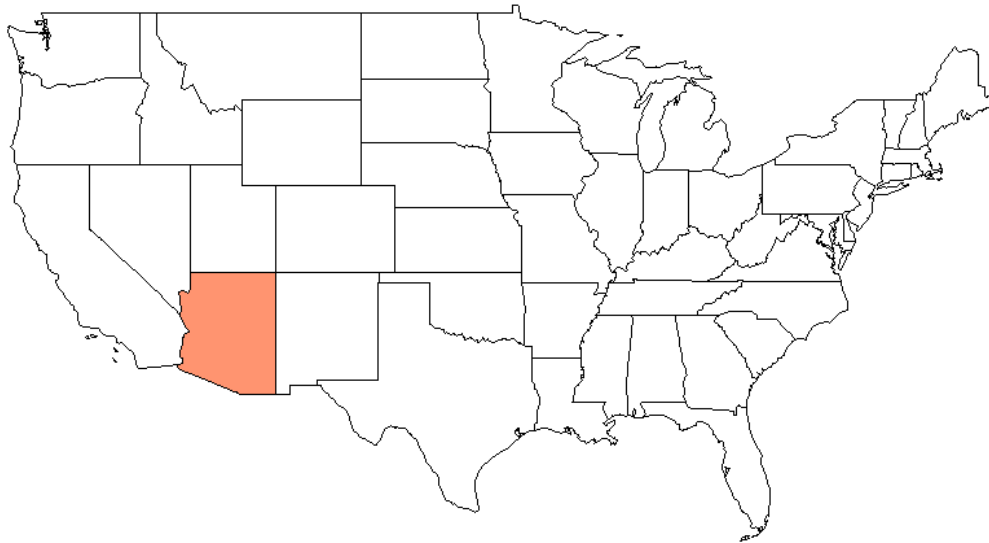
One reason for the lag in employment relative to travel spending is that employers may choose to increase the number of hours worked by existing employees rather than hire and train new employees as business revenue grows. The following graph indicates that this has occurred in the broader Leisure and Hospitality sector for the last 2 quarters of 2010.

### U.S. Leisure & Hospitality Sector Average Weekly Hours, 2008-Q1 to 2010-Q4



Source: Bureau of Labor Statistics Current Employment Survey. The Leisure and Hospitality sectors include all businesses in arts, entertainment and recreation (NAICS 71) and accommodation and food services (NAICS 72).

## II. ARIZONA TRAVEL



The multi-billion dollar travel industry in Arizona is an important part of the state and local economies. The industry is represented primarily by businesses in the leisure and hospitality sector, transportation, and retail. The money that visitors spend on various goods and services while in Arizona produces business receipts at these firms, which in turn generate earnings and employment for Arizona residents. In addition, state and local governments collect taxes that are generated from visitor spending. Most of these taxes are imposed on the sale of goods and services to visitors, thus avoiding a tax burden on local residents.

The economic impacts directly generated by visitor spending also contribute to significant secondary impacts. A portion of the business receipts generated by visitor spending is spent by businesses within Arizona for other goods and services (indirect impacts). Visitor generated earnings are also spent by employees for goods and services produced in Arizona (induced impacts).

#### **SUMMARY OF ARIZONA TRAVEL**

- Total direct travel spending in Arizona was \$17.7 billion in 2010. Travel spending increased by 7.9 percent in current dollars compared to 2009. Inflation-adjusted (constant dollar) travel spending increased by 4.6 percent from 2009 to 2010, following a 6.4 percent decrease the preceding year. Only the price of motor fuel and, to a lesser extent, airfares had significant price increases during the year. Room rates declined by 3.2 percent from 2009.<sup>3</sup>
- The increase in travel spending was primarily driven by increased visitation. Most notably, room demand in Arizona increased by 5.9 percent (Smith Travel Research). Visitor air arrivals on domestic flights, which had decreased by 8 percent per year from 2007 to 2009, increased by 0.5 percent.
- Local and state taxes increased by 5.5 percent from 2009 to 2010. Almost one-half of this increase (\$35 million) was due to the one percent increase in tax rates for lodging, restaurants/bar, retail and amusement sales.
- Preliminary estimates of employment indicate no employment. This is typical following deep recessions as employers initially improve balance sheets and more efficiently utilize existing employees before hiring new workers.
- The Gross Domestic Product of the travel industry was \$6.7 billion in 2010. The travel industry and the microelectronics industry have been the top two export-oriented industries in the state in recent years.
- The re-spending of travel-related revenues by businesses and employees creates secondary impacts. In 2010, the secondary impacts were 131,000 jobs with \$4.9 billion in earnings.

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<sup>3</sup> Smith Travel Research reports prepared for Arizona Office of Tourism. Room rates declined by 11.9 percent from 2008 to 2009.



## TRAVEL TRENDS

Total direct travel spending in Arizona was \$17.7 billion in 2010. This represents a 7.9 percent increase over the preceding year in current dollars. Preliminary estimates of employment did not show this rate of increase. This is typical following deep recessions as employers initially improve balance sheets and more efficiently utilize existing employees before hiring new workers. Travel generated employment and earnings should improve providing that the broader economy and travel continue to expand.

Local and state taxes increased by 5.5 percent from 2009 to 2010. Almost one-half of this increase (\$35 million) was due to the one percent increase in tax rates for lodging, restaurants/bar, retail and amusement sales.

It is important to emphasize that the 7.9 percent increase in travel spending is largely attributable to the growth in visitation rather than inflation. Significant price increases occurred only for transportation (motor fuel and airfares). Room rates continued to decline in 2010, albeit at a lower rate than the preceding year (-3.2 percent versus -11.9 percent from 2008 to 2009).<sup>4</sup> These trends are indicated graphically on the following page.

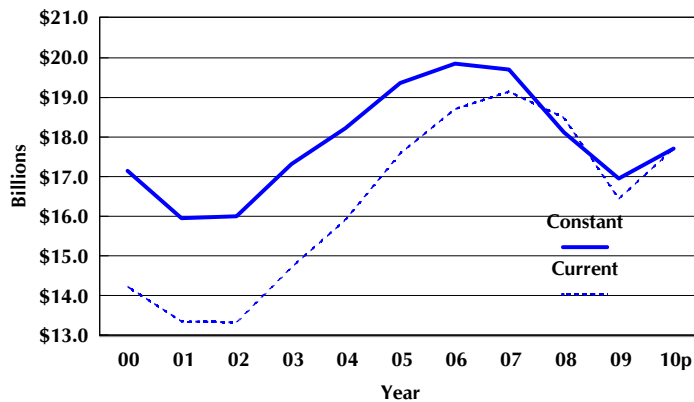
### Arizona Travel Trends, 1998-2010p

	Spending (\$Billion)	Earnings (\$Billion)	Employment (Thousand)	Tax Revenue (\$Million)		
				Local/State	Federal	Total
1998	11.8	3.2	148.8	941	630	1,571
1999	13.1	3.5	158.1	1,043	702	1,746
2000	14.2	3.8	163.3	1,138	744	1,882
2001	13.4	3.7	153.3	1,082	777	1,859
2002	13.3	3.6	148.2	1,101	825	1,926
2003	14.7	4.0	158.2	1,211	912	2,122
2004	15.9	4.3	163.5	1,287	989	2,276
2005	17.6	4.6	169.9	1,399	1,084	2,483
2006	18.7	4.9	173.4	1,465	1,180	2,645
2007	19.1	5.1	171.5	1,501	1,217	2,719
2008	18.5	5.0	169.0	1,430	1,160	2,590
2009	16.4	4.7	156.0	1,314	1,060	2,375
2010p	17.7	4.7	152.2	1,386	1,112	2,498
<i>Annual Percentage Change</i>						
09-10p	7.9	0.3	-2.5	5.5	4.9	5.2
98-10p	3.4	3.2	0.2	3.3	4.8	3.9

Note: Estimates for 2010p are preliminary. The percentage change for 1991-2010p refers to the average annual percentage change. These direct travel impacts do not include secondary (indirect and induced) impacts. One-way visitor airfares are included. Total earnings include wage and salary disbursements, other earned income and proprietor income. Employment includes full- and part-time payroll employees and self-employed.

<sup>4</sup> Smith Travel Research reports prepared for Arizona Office of Tourism.

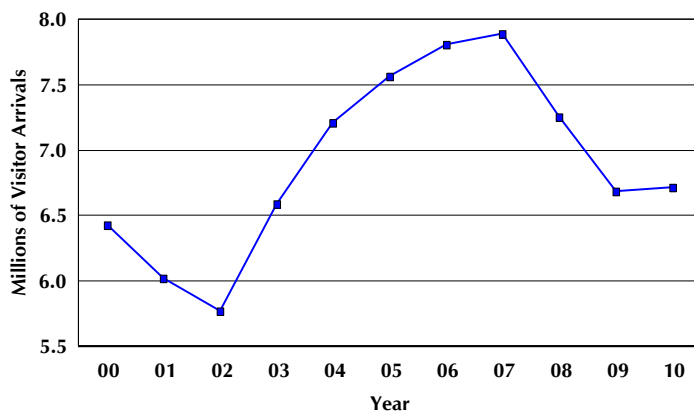
### Arizona Direct Travel Spending Current and Constant Dollars



In constant dollars, Arizona travel spending increased by 4.6 percent from 2009 to 2010p. However, real travel spending is still about 10 percent below its 2005-2007 level.

Sources: Smith Travel Research, Energy Information Administration, U.S. Department of Transportation Origin and Destination Survey, and Bureau of Labor Statistics CPI-West Urban.

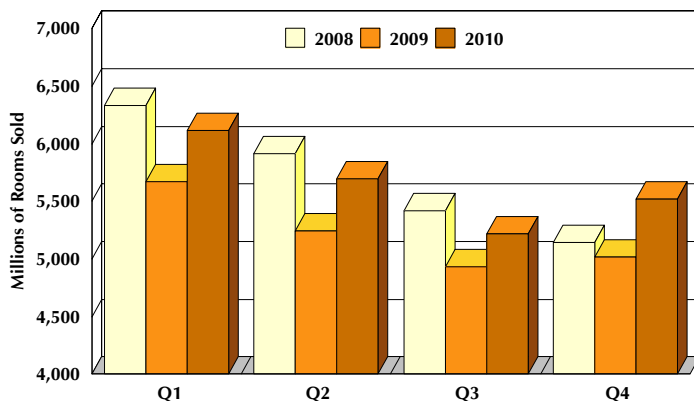
### Air Passenger Visitor Arrivals to Arizona U.S. Air Carriers, 2000-2010



Visitor air arrivals to Arizona increased by 0.5 percent from 2009 to 2010, following two years of annual 8 percent decreases in passenger air volume.

Sources: U.S. Department of Transportation Origin and Destination Survey and Dean Runyan Associates.

### Arizona Room Demand 2008-Q1 to 2010-Q4



Room demand increased by 8.1 percent from 2009 to 2010. However, 2010 room demand was about 7 percent less than in 2006 (not shown graphically.)

Source: Smith Travel Research reports prepared for Arizona Tourism Commission.

## VISITOR ORIGIN

Out-of-state travelers generate more than three-fourths of the visitor impacts in Arizona. Visitors from other states are the largest segment (almost 65 percent of spending), while international travel comprises approximately 14 percent of visitor impacts.

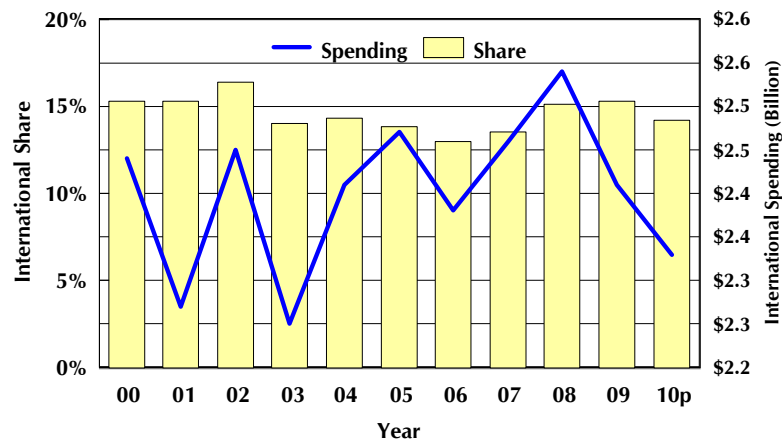
### Arizona Travel Impacts by Origin of Visitor, 2010p

Origin	Spending	Earnings	Employment	Tax Receipts (\$ Million)	
	(\$ Billion)	(\$ Billion)	(Thousand)	Local/State	Federal
Arizona	3.6	0.8	29.5	296	146
Other U.S.	10.5	2.9	96.5	882	636
International	2.3	0.5	19.3	199	77
All Visitors	16.4	4.2	145.3	1,377	859
Other Travel	1.3	0.5	6.9	9	253
Total Travel	17.7	4.7	152.2	1,386	1,112

Sources: Dean Runyan Associates, International Trade Administration and Bureau of Economic Analysis (U.S. Dept. of Commerce), TNS TravelsAmerica visitor survey, Statistics Canada, Vera Pavlakovich-Kochi and Alberta H. Charney, "Mexican Visitors to Arizona: Visitor Characteristics and Economic Impacts, 2007-08" (Karl Eller College of Business and Public Administration, University of Arizona) and Bureau of Transportation Statistics Border Crossing/Entry Data. Other travel includes travel agencies and resident air travel.

### International Visitor Spending in Arizona, 2000-2010p

Spending in Constant (2010) Dollars



Sources: See above table for source of international estimates. See first graph on preceding page for constant dollar estimates. Constant dollar visitor spending does not include "Other Travel."

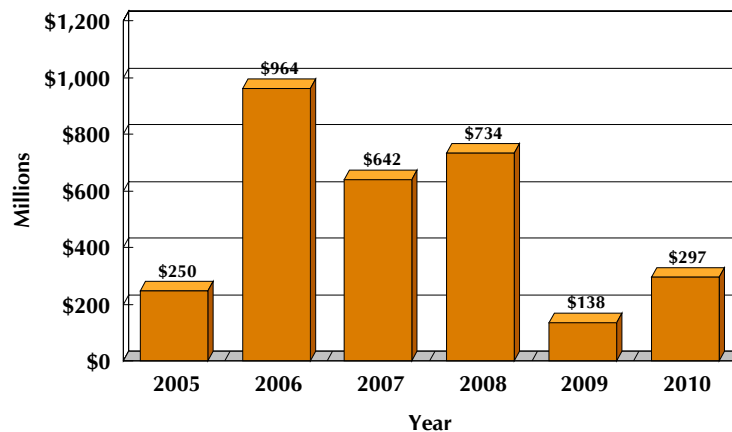
## TRAVEL RELATED CONSTRUCTION ACTIVITY

Investment in the infrastructure of the travel industry represents another aspect of the travel economy. In the short term, such investments provide employment in the construction trades and architectural professions. In the longer term, investments in accommodations, attractions and other facilities serve to maintain and enhance Arizona's share of the visitor market.

The graph below is based upon the travel-related share of the value of new construction in hotels and motels; amusement, social and recreational buildings; and stores and restaurants. It is an underestimate of the total value of capital investment in the travel industry.<sup>5</sup> The \$297 million figure represents 10.2 percent of all non-residential construction in Arizona in 2010. This investment supported 5,300 construction jobs with earnings of \$280 million.

Overall, non-residential construction in Arizona declined by 13 percent from 2009 to 2010. Travel-related construction more than doubled over the same period. This is in part a reflection of the steep decline in travel-related construction activity in the preceding year.

**Value of New Construction in Travel-Related Buildings  
2005-2010**



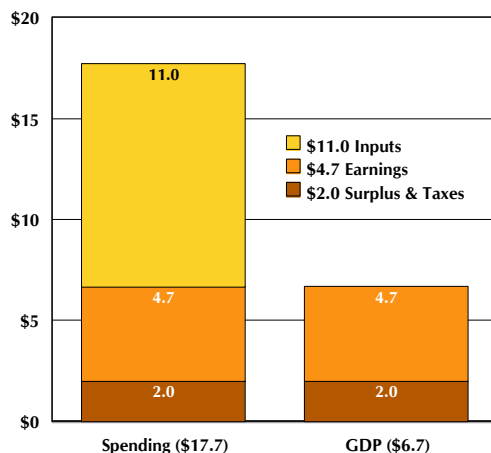
<sup>5</sup> Neither transportation-related construction nor second home construction is included. The figures refer only to new construction, not reconstruction or additions and alterations. Fees for architects and engineers are also excluded.

## ARIZONA TRAVEL INDUSTRY GROSS DOMESTIC PRODUCT

In concept, the Gross Domestic Product (GDP) of a particular industry is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries). GDP is always smaller than output or sales because GDP measures only the “value added” of an industry and does not include the cost of the inputs that are also necessary to produce a good or service. Alternatively, GDP can be thought of as the sum of earnings, indirect business taxes (primarily excise and property taxes) and other operating surplus (including profits). Estimates of travel spending and travel industry GDP are shown in the chart below. Arizona travel industry GDP amounted to \$6.7 billion in 2010. Arizona travel industry GDP represented about 2.6 percent of the total Arizona GDP in 2009 (the last year for which statewide data is available).

About 60 percent of all travel spending in Arizona is attributed to intermediate inputs and goods resold at retail. Intermediate inputs cover a range of goods and services that are purchased by travel industry businesses for the purpose of creating a product or service for the traveler. For example, lodging establishments purchase cable television services. Restaurants purchase food and beverages from vendors. In both cases, these inputs are classified as the GDP of other industries. In addition, travel spending occurs at many retail establishments where the goods purchased from the retailer are purchased as finished goods from suppliers. These resold goods are also counted as products of other industries. This would include motor fuel, groceries and most of the commodities sold at retail establishments.<sup>6</sup>

**Arizona Travel Industry Gross Domestic Product, 2010p**



Sources: Dean Runyan Associates, Bureau of Economic Analysis, and Minnesota Implan Group.

<sup>6</sup> About 38 percent of the \$11 billion of inputs and goods resold are purchased from other Arizona businesses.

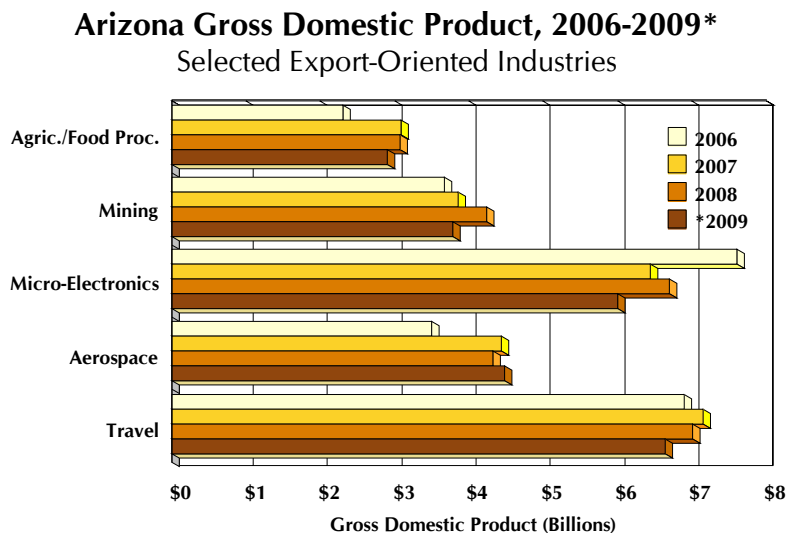
## GROSS DOMESTIC PRODUCT OF ARIZONA EXPORT-ORIENTED INDUSTRIES

Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations.<sup>7</sup> Agriculture, mining, and manufacturing are the best examples of export-oriented industries. Clearly, there are cases in each of these three sectors where the products are sold within the local or regional market.

Nonetheless, in general most businesses within these industries depend on export markets. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. The travel industry injects money into the local economy, as do the exports of other industries.

Exports are not necessarily more important than locally traded goods and services. However, diverse export-oriented industries in any economy are a source of strength – in part because they generate income that contributes to the development of other local services and amenities. Such industries characterize the “comparative advantage” of the local economy within larger regional, national and global markets.

A comparison of the GDP's of the leading export-oriented industries in Arizona is shown below. Sufficient data for 2010 is not yet available for the comparison industries. As noted, the figures for 2009 are estimated by Dean Runyan Associates.



Source: Dean Runyan Associates and Bureau of Economic Analysis. \*Estimates for all industries except travel based on preliminary GDP data for broader industry sectors and annual changes in payroll.

The travel industry and the microelectronics industry (NAICS 334) have been the top two export-oriented industries in the state in recent years.

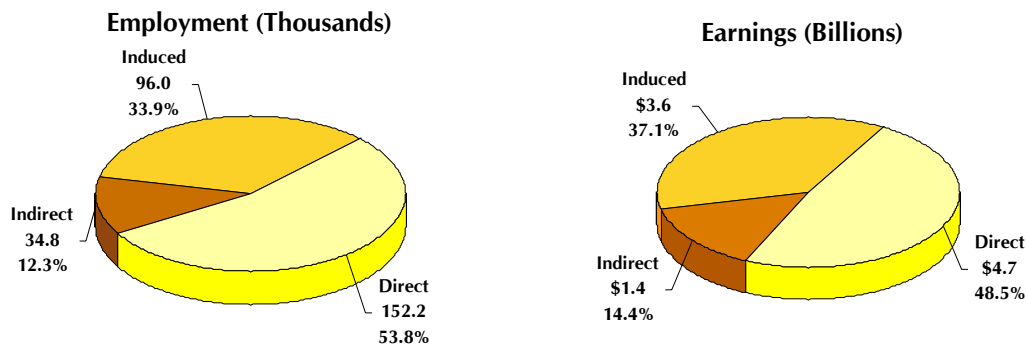
<sup>7</sup> See also pages 52 of Appendix A and page 66 of Appendix C.

## DIRECT, SECONDARY AND TOTAL IMPACTS

Travel spending within Arizona brings money into many Arizona communities in the form of business receipts. Portions of these receipts are spent within the state for labor and supplies. Employees, in turn, spend a portion of their earnings on goods and services in the state. This re-spending of travel-related revenues creates *indirect and induced impacts*. To summarize:

- **Direct** impacts represent the employment and earnings attributable to travel expenditures made directly by travelers at businesses throughout the state.
- **Indirect** impacts represent the employment and earnings associated with industries that supply goods and services to the direct businesses (i.e., those that receive money directly from travelers throughout the state).
- **Induced** impacts represent the employment and earnings that result from purchases for food, housing, transportation, recreation, and other goods and services made by travel industry employees, and the employees of the indirectly affected industries.

### Total Employment and Earnings Generated by Travel Spending in Arizona, 2010p



Note: Indirect and induced impacts estimated by Dean Runyan Associates with Minnesota IMPLAN model. Percentages may not add to 100% due to rounding.

The impacts in this section are presented in terms of the employment and earnings of eleven major industry groups. These industry groups are similar, but not identical to the business service (or commodity) categories presented elsewhere in this report. (The specific industries that comprise these major groups are listed in Appendix D.) Direct travel impacts, such as those discussed in the first part of this section and the regional and county impacts presented elsewhere in this report are found in the following industry groups:

- **Accommodations & Food Services**
- **Arts, Entertainment and Recreation**
- **Retail Trade**
- **Transportation**

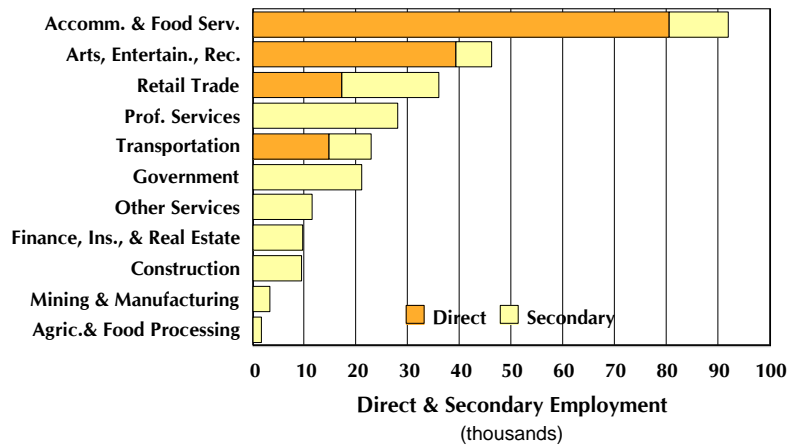
As is indicated in the following tables and graphs, the total direct employment and earnings of these four industry groups is identical to the total direct employment and earnings shown in the first part of this section. The only difference is that these industry groups represent industry groupings (firms) rather than commodity or business service groupings.

The indirect and induced impacts of travel spending are found in all eleven-industry groupings shown in the following tables and graphs. To summarize the primary secondary impacts:

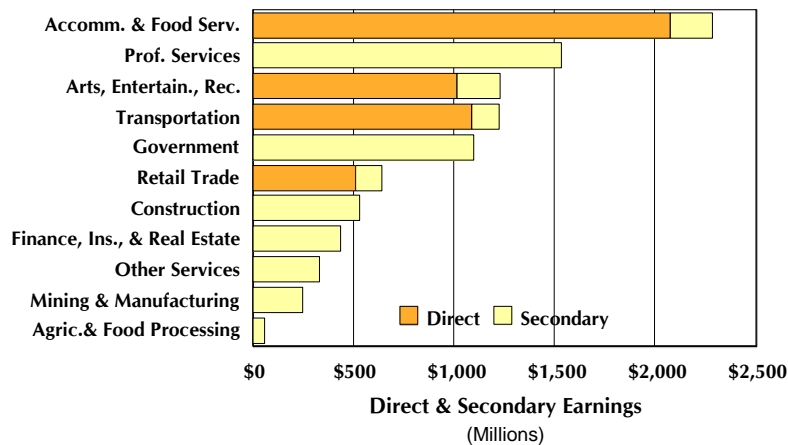
- **Professional Services** (28,000 jobs and \$1.5 billion earnings). Legal, medical, educational and other professional services are utilized by travel businesses (indirect effect) and by employees of these firms (induced effect).
- **Other Services** (12,000 jobs and \$336 million earnings). Employees of travel-related businesses purchase services from various providers, such as dry cleaners and repair shops. Similarly, travel businesses utilize a number of service providers, such as laundry, maintenance and business services.
- **Government** (21,000 jobs and \$1.1 billion earnings). Employees of travel-related businesses pay fees to attend public educational institutions and to operate motor vehicles.
- **Finance, Insurance and Real Estate** (10,000 jobs and \$436 million earnings). Employees and businesses use the services of financial institutions, insurers and real estate businesses.



### Direct and Secondary Employment Generated by Travel Spending in Arizona, 2010p



### Direct and Secondary Earnings Generated by Travel Spending in Arizona, 2010p



See notes at end of table on page 20.

Detailed estimates are reported in the following table. It should be emphasized that the estimates of indirect and induced impacts reported here apply to the entire state of Arizona and do not necessarily reflect economic patterns for individual counties, regions or sub-regions within the state. While total economic impacts can be calculated on a county or regional level, such a detailed analysis is not included in this study. In general, geographic areas with lower levels of aggregate economic activity will have smaller secondary impacts within those same geographic boundaries.

**Direct & Secondary Visitor-Generated Employment in Arizona, 2010p**  
(thousand jobs)

Industry Group	Direct	Secondary		Total	Grand Total
		Indirect	Induced		
Accomm. & Food Serv.	81	4	8	11	92
Arts, Entertain., Rec.	39	5	2	7	46
Retail Trade	17	3	16	19	36
Prof. Services	0	7	21	28	28
Transportation	15	5	4	8	23
Government	0	1	20	21	21
Other Services	0	5	7	12	12
Finance, Ins., & Real Estate	0	4	6	10	10
Construction	0	1	9	10	10
Mining & Manufacturing	0	1	2	3	3
Agric.& Food Processing	0	1	1	2	2
All Industries	152	35	96	131	283

**Direct & Secondary Visitor-Generated Earnings in Arizona, 2010p**  
(\$ Million)

Industry Group	Direct	Secondary		Total	Grand Total
		Indirect	Induced		
Accomm. & Food Serv.	2,079	63	143	207	2,286
Prof. Services	0	452	1,083	1,535	1,535
Arts, Entertain., Rec.	1,016	171	48	219	1,235
Transportation	1,089	107	32	139	1,227
Government	0	74	1,027	1,100	1,100
Retail Trade	509	11	122	133	642
Construction	0	42	489	531	531
Finance, Ins., & Real Estate	0	152	284	436	436
Other Services	0	162	174	336	336
Mining & Manufacturing	0	95	155	250	250
Agric.& Food Processing	0	28	31	59	59
All Industries	4,693	1,357	3,588	4,946	9,639

Source: Dean Runyan Associates and Minnesota Implan Group.

Note: These industry groups are not equivalent to the categories used in the direct impact tables used in this report. See Appendix D.

Detailed direct travel impacts for 2000 through 2010p are shown on the following page.

## Arizona Direct Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Billion)</b>							
Destination Spending	13.3	12.4	14.8	17.3	17.2	15.3	16.4
Other Travel*	1.0	0.9	1.1	1.4	1.3	1.2	1.3
Total Direct Spending	14.2	13.3	15.9	18.7	18.5	16.4	17.7
<b>Visitor Spending by Type of Traveler Accommodation (\$Billion)</b>							
Hotel, Motel	5.8	5.3	6.1	7.4	7.1	6.2	6.9
Campground	0.6	0.6	0.7	0.7	0.7	0.6	0.6
Private Home	3.6	3.2	4.3	5.1	5.0	4.5	4.9
Vacation Home	0.4	0.4	0.5	0.6	0.6	0.6	0.6
Day Travel	2.9	2.9	3.3	3.6	3.6	3.3	3.4
Destination Spending	13.3	12.4	14.8	17.3	17.2	15.3	16.4
<b>Visitor Spending by Commodity Purchased (\$Billion)</b>							
Accommodations	2.1	1.9	2.2	2.7	2.6	2.2	2.3
Food Service	2.8	2.7	3.3	3.8	3.7	3.6	3.9
Food Stores	0.7	0.8	0.8	0.8	0.9	0.9	0.9
Local Tran. & Gas	1.8	1.5	2.2	2.9	3.2	2.2	2.7
Arts, Ent. & Rec.	2.0	2.0	2.4	2.6	2.5	2.3	2.4
Retail Sales	2.7	2.6	2.8	2.9	2.8	2.7	2.8
Visitor Air Tran.	1.0	1.0	1.2	1.6	1.5	1.3	1.5
Destination Spending	13.3	12.4	14.8	17.3	17.2	15.3	16.4
<b>Industry Earnings Generated by Travel Spending (\$Billion)</b>							
Accom. & Food Serv.	1.6	1.5	1.8	2.1	2.2	2.1	2.1
Arts, Ent. & Rec.	0.8	0.8	0.9	1.1	1.1	1.0	1.0
Retail**	0.5	0.5	0.6	0.6	0.6	0.5	0.5
Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.4	0.4	0.5	0.5	0.5	0.5	0.5
Other Travel*	0.4	0.4	0.5	0.5	0.5	0.5	0.5
Total Direct Earnings	3.8	3.6	4.3	4.9	5.0	4.7	4.7
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accom. & Food Serv.	85.0	75.7	82.7	88.2	87.3	83.0	80.7
Arts, Ent. & Rec.	36.8	35.7	43.2	45.5	43.1	39.4	39.4
Retail**	20.9	19.3	20.2	21.7	21.6	18.2	17.2
Ground Tran.	2.3	2.0	2.1	2.1	2.2	1.9	1.8
Visitor Air Tran.	8.3	7.1	7.3	7.6	7.0	6.5	6.1
Other Travel*	10.1	8.3	8.0	8.4	7.8	7.1	6.9
Total Direct Employment	163.3	148.2	163.5	173.4	169.0	156.0	152.2
<b>Government Revenue Generated by Travel Spending (\$Million)***</b>							
Local and State	1,138	1,101	1,287	1,465	1,430	1,314	1,386
Federal Tax Receipts	744	825	989	1,180	1,160	1,060	1,112
Total Direct Gov't Revenue	1,882	1,926	2,276	2,645	2,590	2,375	2,498

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

\*\*\*Local and State tax revenues include property taxes and taxes attributable to travel industry employees. These tax receipts are not included in the county breakouts.

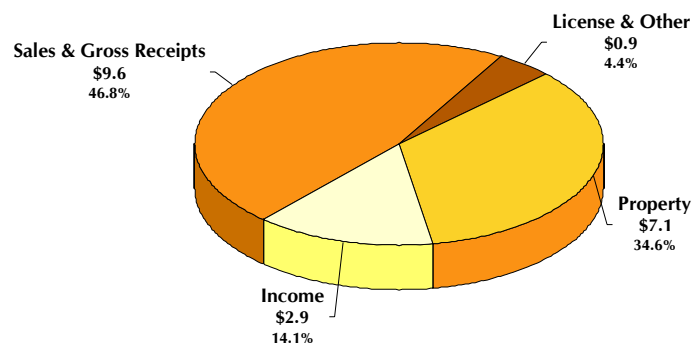


### III. STATE AND LOCAL GOVERNMENT REVENUE

This section of the report provides an analysis of the state and local government revenue supported by the travel industry. Most major sources of government revenue, including sales, property and income taxes are included.

The pie chart below, adapted from the Bureau of the Census' State and Local Government Finance and other data sources, shows the main categories of tax revenue in Arizona. About one-half of all state and local tax revenue in Arizona is derived from sales or gross receipts taxes.<sup>8</sup> Three-fourths of all sales taxes are collected by the state. The next largest category is property taxes – paid primarily by homeowners and businesses to local governments.<sup>9</sup> All income taxes (80 percent paid by individuals) are collected by the state.

**Arizona State and Local Government Tax Revenues**  
2009-10 Fiscal Year  
(Billion)



Sources: The 2009-10 fiscal year estimates of state and local tax revenues in Arizona were prepared by Dean Runyan Associates from various sources, including the Bureau of the Census (State and Local Government Finance), the Arizona Department of Revenue, the Bureau of Economic Analysis and a selection of annual financial reports for cities and counties. The state transaction privilege tax is designated as a general sales tax. Over 90 percent of all property taxes are local. About 80 percent of all income tax receipts are personal (vs. corporate). Selective sales taxes include taxes on lodging, motor fuel, alcohol, tobacco and public utilities. Other taxes include license taxes. State tax receipts comprise 60 percent of all state and local tax receipts.

The primary sources of travel industry tax revenue are:

- Sales tax receipts generated by **visitor spending**. This includes local and state sales taxes, lodging taxes, and motor fuel taxes. Other selective sales

<sup>8</sup> The state transaction privilege tax is considered a sales tax in this report.

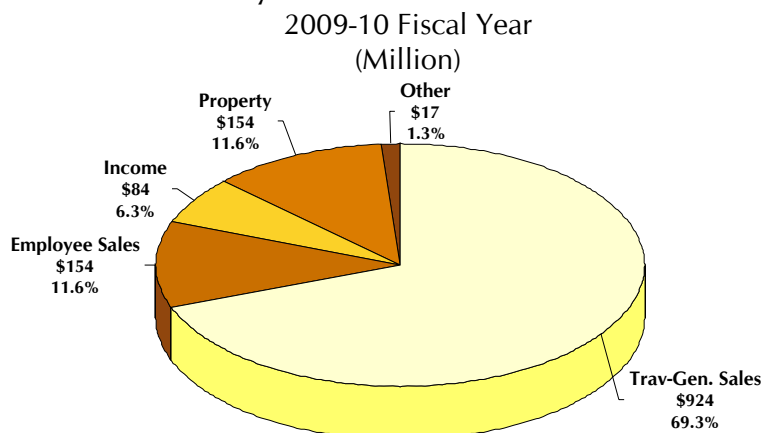
<sup>9</sup> Businesses pay 62 percent of all property taxes in Arizona based on calculations by Dean Runyan Associates from data reported by the Bureau of the Census, State and Local Government Finance and *Property Taxes on Business Capital*, Ernst and Young (March 2006).

taxes (e.g., cigarettes, liquor) were not estimated separately from the general sales tax.

- Taxes paid by **travel industry employees** attributable to travel generated earnings (sales, property and income taxes). The estimates for these taxes were based primarily on the share of travel industry earnings in relation to total personal income in the state.
- Taxes paid by **travel industry businesses** attributable to travel generated business receipts (property and income taxes). The estimates for these taxes were based primarily on the share of travel industry earnings in relation to total earnings in the state. Other business taxes, such as licenses and payroll taxes, were not included.

The distribution of taxes generated by the travel industry for the 2009-10 fiscal year is shown in the following pie chart. The categories are the same as the preceding figure, with the exception that sales tax receipts are also distinguished between those that are generated by visitor spending and those that are generated by the spending of travel industry employees.

### Arizona Travel Industry State and Local Government Tax Revenues



Source: Dean Runyan Associates. "Other" travel-generated tax revenue includes gaming taxes.

Whereas slightly less than one-half of all state and local tax revenue in Arizona was attributable to sales tax collections in the 2009-10 fiscal year, 81 percent of all travel industry tax revenue was attributable to sales tax receipts from visitors (69.5 percent) and the purchases of employees in the travel industry (11.6 percent). More than two-thirds of all tax revenues supported by the travel industry was directly related to visitor spending.

Travel industry state and local tax revenues are compared to total Arizona state and local tax revenues in the following table. Because of the travel industry generates a relatively high proportion of sales tax revenues, it is associated with proportionately

more tax revenues than would be expected given the size of the industry, as measured by earnings or gross domestic product. Whereas the earnings and GDP of the travel industry are in the range of 3 percent of the state totals, travel industry tax revenues represent 6.5 percent of all state and local tax revenues in Arizona.

### Arizona State and Local Tax Revenues

	2009-10 Fiscal Year (\$Million)		Travel Percent Travel
	Total	Generated	
Sales & Gross Receipts	9,620	1,078	11.2%
Income	2,854	84	2.9%
Property	7,075	154	2.2%
License & Other	880	17	1.9%
Total Tax Receipts	20,429	1,332	6.5%

Source: Dean Runyan Associates and Bureau of the Census, State and Local Government Finance.

The tax revenue benefits of the travel industry are also borne out in comparison with other industries. This is illustrated in the table and figure below. The concept of Gross Domestic Product was discussed earlier (page 14; see also appendix pages 62-63). The tax payment categories are defined as follows:

- **Indirect Business Taxes (IBT)** include all property taxes, licenses, fees and sales taxes paid by the firm to all levels of government. Business income taxes are not included. Overall, sales taxes are the largest component. Even though consumers normally paid these taxes at the point of sale, they are defined as indirect business taxes in terms of GDP. Indirect Business Taxes are an official category of Gross Domestic Product, as defined by the Bureau of Economic Analysis.
- **Employee Property and Income Taxes (EPIT)** include the state and local property and income taxes paid by employees. These personal tax payments are estimated by Dean Runyan Associates on the basis of industry earnings and tax revenue data. EPIT is not an official category.

The tax payments generated by the travel industry in relation to Gross Domestic Product are greater than all industries except retail trade. Retail trade tax payments are especially high, of course, because of sales tax payments. However, in contrast to the travel industry, the sales taxes paid by retail establishments are primarily taxes on residents rather than visitors.

## GDP and Tax Payments of Selected Arizona Industries

2009 Calendar Year

(\$Million)

	GDP	Indirect Bus. Taxes	Employee Inc. & Prop. Taxes	Sum of Bus. & Employee Taxes
Construction	13,232	322	244	567
Manufacturing	20,466	567	335	901
Retail trade	19,159	5,095	305	5,400
Health Care	18,897	512	443	956
Travel	6,648	1,062	123	1,185
All Industries	254,099	18,663	5,763	24,426

## Tax Payments as Percent of GDP for Selected Arizona Industries

2009 Calendar Year

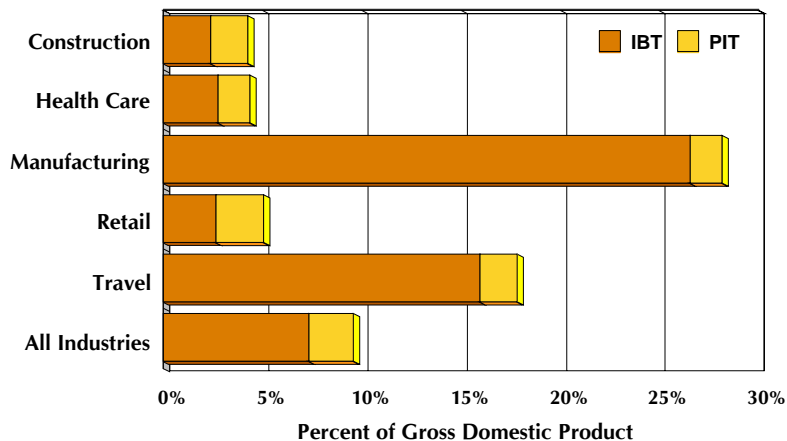


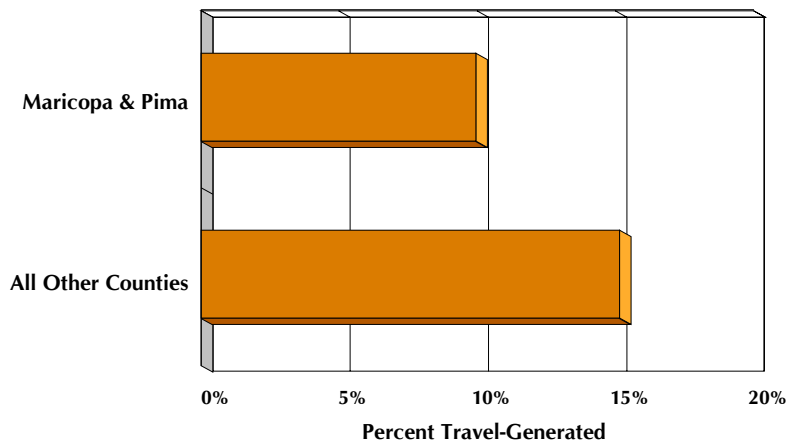
Table and graph sources: Bureau and Economic Analysis and Dean Runyan Associates. Travel industry and employee income and property tax payments estimated by Dean Runyan Associates. Other GDP and Indirect Business Taxes estimated by Bureau of Economic Analysis. \*Travel Industry Business & Employee tax payments of \$1,185 million are lower than the estimate on page 21 because business income taxes are not included and because employee sales tax payments are included in the indirect business taxes of other industries (especially retail trade). This is consistent with GDP accounting.



It is also important to recognize that the local and state tax revenues generated by travel spending are proportionately more important for non-urban areas. There are two reasons for this. First, the travel industry generally comprises a larger proportion of the economy in non-urban areas. Second, counties and municipalities impose special excise taxes on visitors (lodging, eating and drinking establishments, auto rentals) that are disproportionately borne by visitors, rather than residents.

The first point is illustrated in the chart below, where the percentage of the state transaction privilege tax generated by travel spending for two groups of counties is displayed. Maricopa and Pima counties – the most urbanized counties in the state – generate relatively lower tax impacts from visitor spending than do the less urbanized counties in the state.

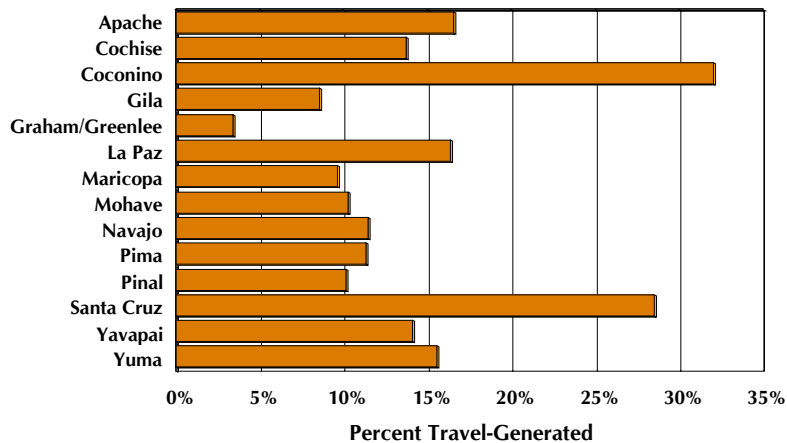
**State Transaction Privilege Taxes Generated  
By Direct Travel Spending, 2010 FY**



Source: Dean Runyan Associates and Arizona Department of Revenue.

Detailed estimates for each county are also shown. The visitor-related share of local excise taxes would generally be somewhat higher, due to local taxes on lodging, eating and drinking, and auto rentals, as noted above.

### State Transaction Privilege Taxes Generated by Direct Travel Spending, 2010 FY

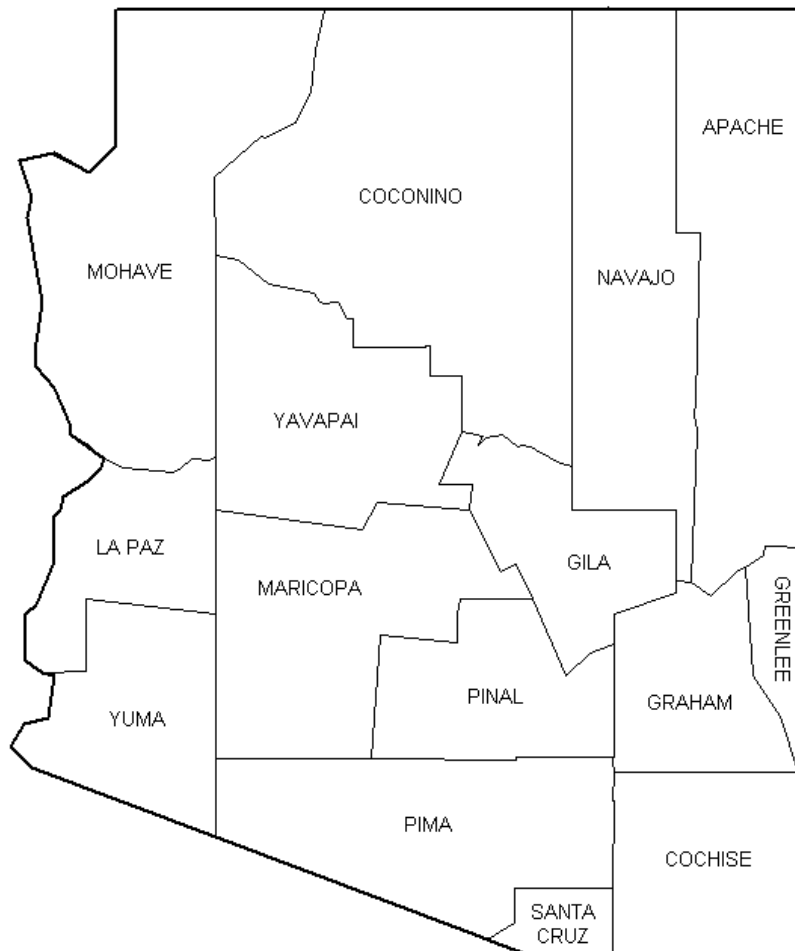


Source: Dean Runyan Associates and Arizona Department of Revenue. These estimates represent the total state transaction privilege tax receipts generated by travel spending. Counties and municipalities generally are allocated a portion of these receipts based on resident population. Other county and municipal excise taxes are also imposed on visitors.

To summarize this analysis of travel-generated state and local government revenue:

- The travel industry accounted for more than six percent of all state and local tax revenues in Arizona in the 2009-10 fiscal year – more than twice the industry proportion of statewide earnings and gross domestic product.
- Most of the travel industry tax receipts are a result of **visitor spending** rather than taxes on Arizona **residents**.
- The tax receipts generated by the Arizona travel industry are more than one-half greater in relation to gross domestic product than the industry average.
- The tax revenues generated by the travel industry are relatively more important for the non-urban areas of the state as compared to the urbanized areas of greater Phoenix and Tucson.

## IV: COUNTY TRAVEL IMPACTS 1998-2010P



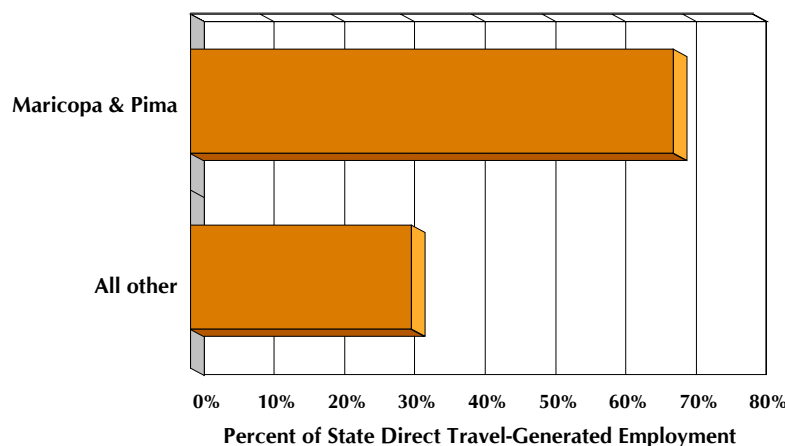
The analysis of travel impacts at the county level provides a valuable overview of how the economic benefits of travel and tourism are distributed throughout the state.

Urban areas, such as Maricopa County, tend to have highly developed travel industry infrastructure consisting of large inventories of amusement and recreation opportunities, commercial accommodations, and well-developed transportation links. Hotel/motel guests are important to these areas and, hence, a large proportion of travel expenditures are spent on overnight lodging.

In many of the less urbanized areas of Arizona, however, the economic significance of travel and tourism is actually relatively more important. The infrastructure that serves visitors to Maricopa County also serves local residents. Most of the spending on recreation and food services in Maricopa county is by local residents. This is not the case in most other less urbanized areas of the state – leisure and hospitality businesses are generally much more dependent on visitor spending rather than local residents.

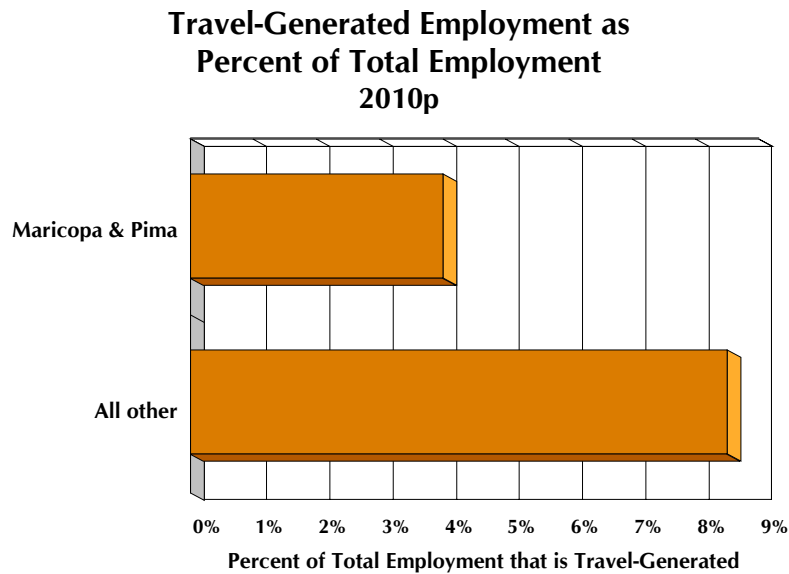
In the graph below, the two most populous counties in Arizona, Maricopa and Pima, are compared with the thirteen other counties in the state with respect to their share of total employment – seven out of ten travel-generated jobs are in the two most populous counties in the state.

**Distribution of Travel-Generated Employment, 2010p**



Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and travel-generated employments estimates by Dean Runyan Associates. Maricopa and Pima counties have 69 percent of all travel-generated employment. The other Arizona counties have 31 percent of all travel-generated employment.

However, as a group the less urbanized counties in the state actually have a higher proportion of travel-generated employment in relation to the total employment of the county. This is shown graphically below. Four percent of all employment in Maricopa and Pima counties are travel-generated. By contrast, the proportion is more than double in all other Arizona counties.



Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and travel-generated employment estimates by Dean Runyan Associates. Travel-generated employment in Maricopa and Pima counties constitutes 4.0 percent of all employment in those counties. The comparable figure for other Arizona counties is 8.5 percent.

In general, the employment and earnings estimates provided in the preceding figures are probably the best measure at the county level of the relative importance of travel and tourism for local economies. The following table provides estimates for individual counties. Total employment includes all full-time and part-time wage and salary employment and self-employment. Because total employment includes all *jobs*, regardless of the hours worked, the average annual earnings of the job or the number of individuals employed, this indicator is in some respects less useful than earnings estimates. Nonetheless, the distribution of counties is similar for earnings and employment.

## Travel-Generated Employment and Earnings as Percent of Total, 2010p

	Employment			Earnings (Million)		
	Total	Travel	Percent Travel	Total	Travel	Percent Travel
Apache	29,340	1,610	5.5%	\$1,052	\$30	2.8%
Cochise	58,260	4,130	7.1%	\$2,901	\$78	2.7%
Coconino	81,270	10,500	12.9%	\$3,164	\$257	8.1%
Gila	22,120	2,530	11.4%	\$817	\$55	6.7%
Graham/Greenlee	15,160	990	6.5%	\$707	\$11	1.5%
La Paz	7,070	1,100	15.6%	\$267	\$27	10.2%
Maricopa	2,100,050	82,910	3.9%	\$108,521	\$3,091	2.8%
Mohave	64,870	4,650	7.2%	\$2,307	\$99	4.3%
Navajo	39,670	2,930	7.4%	\$1,429	\$65	4.5%
Pima	482,490	21,520	4.5%	\$21,273	\$509	2.4%
Pinal	68,790	4,230	6.1%	\$3,068	\$120	3.9%
Santa Cruz	17,080	1,660	9.7%	\$795	\$41	5.2%
Yavapai	81,470	7,650	9.4%	\$2,763	\$170	6.2%
Yuma	76,990	5,770	7.5%	\$3,491	\$140	4.0%
Arizona	3,144,620	152,190	4.8%	\$152,556	\$4,693	3.1%

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis.  
Total and travel-generated employment estimates by Dean Runyan Associates.

Detailed direct travel impact estimates for 1998 through 2010p can be found on the following pages. As noted in the appendix to this report (page 52), county level estimates are necessarily less reliable than the statewide estimates. Furthermore, estimates for the smallest counties are less reliable than those for larger counties due to survey sample sizes and other data limitations. For this reason, small changes in year-to-year estimates are less important than longer-term trends.

## 2010p Arizona County Travel Impacts

	Travel Spending		Earnings	Related Travel-Generated Impacts			
	Total	Visitor		Employment	Local Taxes	State Taxes	Total Taxes
	(\$Million)	(\$Million)	(\$Million)	(jobs)	(\$Million)	(\$Million)	(\$Million)
Apache	132	132	30	1,610	3.0	5.2	8.2
Cochise	340	339	78	4,130	12.0	12.9	24.9
Coconino	948	946	257	10,500	28.9	38.1	67.0
Gila	222	222	55	2,530	2.8	6.2	8.9
Graham/Greenlee	43	43	11	990.0	1.1	1.9	3.0
La Paz	191	191	27	1,100	1.9	7.9	9.9
Maricopa	11,193	9,942	3,091	82,910	305.5	374.3	679.8
Mohave	439	438	99	4,650	9.5	18.4	27.9
Navajo	270	270	65	2,930	5.9	10.5	16.3
Pima	2,022	1,988	509	21,520	42.7	81.4	124.1
Pinal	483	482	120	4,230	9.6	18.7	28.3
Santa Cruz	235	235	41	1,660	4.9	8.0	12.9
Yavapai	648	648	170	7,650	14.8	22.6	37.4
Yuma	566	562	140	5,770	14.1	22.2	36.3
Arizona	17,732	16,439	4,693	152,190	456.7	628.2	1,084.9

Property taxes and sales taxes paid by travel industry employees not included.

**Arizona County Total Travel Spending, 1998-2010p**  
(\$ Millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010p	Annual Percent Chg.	
														09-10p	98-10p
Apache	80	94	109	101	100	107	113	129	138	143	148	125	132	5.8	4.3
Cochise	207	234	258	253	271	279	302	320	328	352	351	331	340	2.6	4.2
Coconino	675	715	741	694	691	741	788	843	870	920	955	892	948	6.2	2.9
Gila	179	189	206	204	204	213	221	233	242	247	237	217	222	2.4	1.8
Graham/Greenlee	23	26	31	28	28	30	32	36	45	48	48	36	43	20.6	5.2
La Paz	126	146	162	160	158	175	186	208	210	216	216	179	191	6.7	3.6
Maricopa	7,327	7,989	8,779	8,176	7,979	9,069	9,888	11,069	11,910	12,198	11,642	10,164	11,193	10.1	3.6
Mohave	249	291	322	315	315	361	397	435	483	469	456	396	439	10.9	4.9
Navajo	179	213	240	220	221	229	238	260	283	290	306	256	270	5.5	3.5
Pima	1,552	1,725	1,876	1,738	1,788	1,885	2,019	2,197	2,263	2,237	2,101	1,940	2,022	4.2	2.2
Pinal	206	236	263	257	257	291	323	365	408	450	461	426	483	13.4	7.3
Santa Cruz	206	226	237	237	298	262	272	274	254	255	257	270	235	-12.7	1.1
Yavapai	426	579	558	543	540	581	590	642	685	717	703	623	648	4.1	3.6
Yuma	371	407	444	434	485	501	533	567	587	590	599	577	566	-2.0	3.6
<b>Arizona</b>	<b>11,806</b>	<b>13,071</b>	<b>14,225</b>	<b>13,361</b>	<b>13,333</b>	<b>14,725</b>	<b>15,903</b>	<b>17,578</b>	<b>18,704</b>	<b>19,132</b>	<b>18,480</b>	<b>16,432</b>	<b>17,732</b>	<b>7.9</b>	<b>3.4</b>



**Arizona County Travel-Generated Earnings, 1998-2010p**  
(\$ Millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010p	Annual Percent Chg.	
														09-10p	98-10p
Apache	19	22	25	23	24	24	25	27	29	30	33	32	30	-6.1	3.8
Cochise	46	52	57	57	60	62	68	71	74	82	85	82	78	-4.0	4.6
Coconino	186	196	203	190	191	204	216	225	235	255	276	259	257	-0.8	2.7
Gila	43	45	50	49	49	51	53	56	60	62	60	56	55	-2.4	2.1
Graham/Greenlee	6	7	8	7	7	8	8	9	11	12	13	10	11	12.0	4.8
La Paz	22	25	26	27	27	29	30	32	32	32	33	30	27	-7.7	1.9
Maricopa	2,099	2,269	2,509	2,402	2,334	2,605	2,817	3,001	3,233	3,353	3,254	3,048	3,091	1.4	3.3
Mohave	60	69	75	75	77	87	95	100	114	110	108	100	99	-0.9	4.2
Navajo	44	52	58	53	54	55	55	59	65	67	74	67	65	-2.7	3.3
Pima	394	438	475	440	450	475	511	545	570	572	546	514	509	-1.0	2.1
Pinal	50	56	62	61	62	70	78	86	99	111	118	113	120	5.7	7.6
Santa Cruz	37	41	42	42	52	46	49	49	47	48	49	48	41	-14.8	0.9
Yavapai	110	155	147	144	144	154	156	168	183	196	198	176	170	-3.1	3.7
Yuma	83	91	99	97	107	114	122	129	139	141	147	147	140	-5.1	4.4
<b>Arizona</b>	<b>3,199</b>	<b>3,518</b>	<b>3,838</b>	<b>3,668</b>	<b>3,639</b>	<b>3,982</b>	<b>4,281</b>	<b>4,558</b>	<b>4,890</b>	<b>5,072</b>	<b>4,994</b>	<b>4,681</b>	<b>4,693</b>	<b>0.3</b>	<b>3.2</b>

### Arizona County Travel-Generated Employment, 1998-2010p

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010p	Annual Percent Chg.	
														09-10p	98-10p
Apache	1,430	1,530	1,650	1,700	1,490	1,580	1,700	1,780	1,710	1,710	1,800	1,740	1,610	-7.5	1.0
Cochise	3,490	3,840	4,000	3,830	3,890	3,950	4,080	4,200	4,280	4,530	4,530	4,290	4,130	-3.7	1.4
Coconino	11,180	11,280	11,200	10,370	10,110	10,550	10,740	11,010	10,740	10,860	11,450	10,770	10,500	-2.5	-0.5
Gila	2,690	2,700	2,850	2,950	2,910	2,970	2,830	2,860	2,880	2,800	2,700	2,560	2,530	-1.0	-0.5
Graham/Greenlee	480	500	560	640	670	800	800	880	1,140	1,190	1,180	940	990	5.4	6.1
La Paz	1,370	1,460	1,480	1,430	1,400	1,450	1,430	1,520	1,400	1,400	1,380	1,250	1,100	-12.1	-1.8
Maricopa	83,870	86,740	90,450	82,250	77,260	84,010	87,630	91,840	93,580	93,670	92,250	84,100	82,910	-1.4	-0.1
Mohave	3,820	4,290	4,540	4,420	4,430	4,800	5,030	5,250	5,930	5,230	4,980	4,700	4,650	-1.1	1.7
Navajo	3,140	3,490	3,770	3,380	3,220	3,210	3,100	3,170	3,350	3,290	3,540	3,080	2,930	-4.8	-0.6
Pima	21,240	23,260	24,430	22,450	22,520	23,730	25,150	25,790	26,020	24,700	22,840	21,950	21,520	-2.0	0.1
Pinal	2,790	3,050	3,180	3,680	3,560	4,030	4,130	4,490	4,870	4,720	4,940	4,480	4,230	-5.6	3.5
Santa Cruz	2,050	2,120	2,140	2,100	2,490	2,260	2,280	2,250	2,130	2,050	2,020	1,970	1,660	-15.5	-1.7
Yavapai	6,700	9,060	8,100	8,630	8,540	9,000	8,660	8,750	8,990	9,110	9,230	8,180	7,650	-6.5	1.1
Yuma	4,530	4,750	5,000	5,460	5,650	5,810	5,920	6,120	6,410	6,190	6,110	6,040	5,770	-4.5	2.0
<b>Arizona</b>	<b>148,780</b>	<b>158,080</b>	<b>163,350</b>	<b>153,270</b>	<b>148,160</b>	<b>158,160</b>	<b>163,480</b>	<b>169,900</b>	<b>173,440</b>	<b>171,450</b>	<b>168,950</b>	<b>156,050</b>	<b>152,190</b>	<b>-2.5</b>	<b>0.2</b>

# Apache County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	109.4	100.2	113.3	138.1	148.4	124.8	132.1
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Spending	109.4	100.2	113.3	138.1	148.4	124.8	132.1
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	57.5	52.9	52.3	67.7	76.7	64.2	64.2
Campground	10.9	10.6	14.0	16.4	16.7	13.3	14.1
Private Home	23.8	19.8	27.4	31.1	30.1	26.1	30.0
Vacation Home	13.6	13.6	15.6	17.7	19.3	17.0	18.9
Day Travel	3.6	3.2	4.1	5.1	5.4	4.3	4.9
Destination Spending	109.4	100.2	113.3	138.1	148.4	124.8	132.1
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	20.0	18.5	17.3	21.0	24.1	21.5	20.1
Food Service	21.2	19.9	20.9	24.8	26.4	25.4	25.3
Food Stores	8.1	8.1	8.4	8.8	9.6	9.5	9.3
Local Tran. & Gas	26.7	22.8	34.9	48.7	53.8	35.4	44.9
Arts, Ent. & Rec.	14.8	14.3	15.4	16.9	16.9	16.1	15.6
Retail Sales	18.6	16.5	16.4	17.9	17.6	16.9	16.9
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	109.4	100.2	113.3	138.1	148.4	124.8	132.1
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	14.0	13.1	13.0	15.3	18.3	18.9	17.6
Arts, Ent. & Rec.	6.2	5.9	6.4	7.3	7.7	7.3	7.0
Retail**	4.8	4.6	5.1	6.3	6.7	5.1	4.8
Ground Tran.	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	25.2	23.9	24.8	29.2	32.9	31.6	29.7
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	1,010	910	820	910	930	980	890
Arts, Ent. & Rec.	320	290	550	460	530	520	490
Retail**	310	290	320	330	330	230	220
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	1,650	1,490	1,700	1,710	1,800	1,740	1,610
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	2.9	2.6	2.6	3.0	3.3	3.0	3.0
State Tax Receipts	4.6	4.3	4.9	5.4	5.4	5.1	5.2
Total Direct Gov't Revenue	7.5	6.9	7.5	8.4	8.7	8.1	8.2

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Cochise County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	257.3	270.1	301.6	326.8	350.0	329.9	338.6
Other Travel*	0.8	0.8	0.8	0.8	1.0	1.2	1.0
Total Direct Spending	258.2	270.9	302.4	327.7	351.0	331.1	339.6
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	54.4	54.1	69.4	86.2	110.0	97.6	113.3
Campground	41.8	41.6	47.5	52.3	52.0	46.3	45.0
Private Home	53.0	45.5	60.3	65.9	63.1	58.8	64.3
Vacation Home	5.6	5.8	6.3	6.8	7.3	7.0	7.3
Day Travel	102.5	123.0	118.2	115.7	117.6	120.2	108.6
Destination Spending	257.3	270.1	301.6	326.8	350.0	329.9	338.6
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	27.8	27.8	33.6	40.4	50.8	46.0	50.8
Food Service	55.6	58.6	67.6	74.0	80.0	80.1	83.4
Food Stores	56.1	69.4	63.3	57.8	59.2	64.7	54.0
Local Tran. & Gas	27.7	23.7	36.2	50.5	55.8	36.8	46.7
Arts, Ent. & Rec.	31.5	31.2	38.7	41.3	41.9	39.9	41.4
Retail Sales	58.7	59.3	62.1	62.8	62.4	62.6	62.3
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	257.3	270.1	301.6	326.8	350.0	329.9	338.6
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	26.0	26.9	31.6	35.4	43.7	43.2	41.7
Arts, Ent. & Rec.	13.9	13.8	17.1	19.1	20.3	19.3	19.6
Retail**	16.6	18.6	18.6	19.0	19.5	18.1	16.0
Ground Tran.	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.6	0.6	0.6	0.6	0.7	0.9	0.8
Total Direct Earnings	57.3	60.1	68.1	74.3	84.6	81.7	78.5
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	1,960	1,900	2,040	2,140	2,280	2,210	2,130
Arts, Ent. & Rec.	1,160	1,100	1,200	1,260	1,410	1,330	1,340
Retail**	850	860	820	860	810	730	640
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	30	20	20	20	20	20	20
Total Direct Employment	4,000	3,890	4,080	4,280	4,530	4,290	4,130
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	8.7	9.0	10.0	10.7	11.7	11.5	12.0
State Tax Receipts	9.1	9.9	11.2	12.0	12.5	12.1	12.9
Total Direct Gov't Revenue	17.8	18.9	21.1	22.7	24.3	23.6	24.9

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Coconino County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	737.1	690.4	784.8	868.7	952.5	889.9	945.6
Other Travel*	3.7	0.7	2.7	1.4	2.5	2.5	2.2
Total Direct Spending	740.8	691.1	787.5	870.1	955.0	892.4	947.8
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	514.7	478.0	537.3	598.6	677.7	638.2	682.5
Campground	44.9	45.7	50.2	53.4	52.2	47.8	45.1
Private Home	54.6	49.2	63.7	69.8	66.0	59.7	64.5
Vacation Home	26.1	27.3	29.4	31.6	34.0	33.0	33.8
Day Travel	96.8	90.1	104.3	115.4	122.5	111.1	119.7
Destination Spending	737.1	690.4	784.8	868.7	952.5	889.9	945.6
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	198.6	180.9	203.0	234.6	270.4	252.4	267.7
Food Service	189.0	181.7	208.1	226.1	251.5	248.4	263.0
Food Stores	40.1	39.9	42.5	43.5	48.0	47.3	46.6
Local Tran. & Gas	47.5	40.7	61.7	85.6	94.4	62.6	79.1
Arts, Ent. & Rec.	112.7	109.4	126.2	130.3	135.3	129.9	133.0
Retail Sales	149.1	134.7	141.6	145.6	151.1	146.4	153.0
Visitor Air Tran.	0.0	3.1	1.8	3.1	1.8	2.9	3.2
Destination Spending	737.1	690.4	784.8	868.7	952.5	889.9	945.6
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	127.8	119.5	135.5	147.4	181.5	170.7	168.9
Arts, Ent. & Rec.	46.1	44.7	51.5	55.6	60.7	58.2	58.4
Retail**	26.6	24.7	26.8	29.3	31.2	27.0	26.4
Ground Tran.	0.6	0.5	0.6	0.7	0.7	0.7	0.7
Visitor Air Tran.	0.0	1.3	0.7	1.4	0.8	1.0	1.1
Other Travel*	1.5	0.4	1.2	0.7	1.2	1.0	0.9
Total Direct Earnings	202.6	191.2	216.3	235.1	276.1	258.6	256.5
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	7,280	6,600	6,860	6,610	7,270	6,920	6,790
Arts, Ent. & Rec.	2,620	2,360	2,720	2,920	2,920	2,740	2,660
Retail**	1,250	1,090	1,110	1,160	1,210	1,060	1,000
Ground Tran.	20	20	20	20	20	20	20
Visitor Air Tran.	0	20	10	20	10	10	10
Other Travel*	30	20	20	20	20	20	20
Total Direct Employment	11,200	10,110	10,740	10,740	11,450	10,770	10,500
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	21.4	19.8	22.7	25.2	28.1	26.9	28.9
State Tax Receipts	27.6	27.4	30.8	33.6	36.5	34.8	38.1
Total Direct Gov't Revenue	49.0	47.2	53.6	58.8	64.6	61.7	67.0

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Gila County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	206.0	203.9	220.7	241.4	236.4	217.0	222.3
Other Travel*	0.2	0.2	0.1	0.1	0.2	0.2	0.2
Total Direct Spending	206.2	204.1	220.8	241.6	236.6	217.2	222.5
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	36.9	32.3	35.0	46.3	37.6	34.5	37.1
Campground	12.3	12.5	13.6	14.3	14.1	13.2	12.3
Private Home	16.9	14.6	18.8	20.1	19.1	18.0	19.2
Vacation Home	11.4	11.8	12.4	13.1	14.0	13.6	13.8
Day Travel	128.5	132.7	140.9	147.6	151.6	137.7	140.0
Destination Spending	206.0	203.9	220.7	241.4	236.4	217.0	222.3
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	15.5	13.5	14.6	19.1	15.8	14.4	15.0
Food Service	37.3	36.8	40.6	45.7	44.9	45.4	47.0
Food Stores	11.8	12.0	12.5	13.0	13.8	13.7	13.3
Local Tran. & Gas	9.7	8.3	12.7	17.7	19.5	12.9	16.3
Arts, Ent. & Rec.	86.6	90.5	97.6	101.5	100.3	88.7	88.1
Retail Sales	45.1	42.7	42.8	44.5	42.1	41.9	42.6
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	206.0	203.9	220.7	241.4	236.4	217.0	222.3
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	18.9	18.1	19.8	23.0	23.7	23.2	22.5
Arts, Ent. & Rec.	22.2	23.0	25.0	27.6	27.6	25.1	24.7
Retail**	8.2	7.9	8.2	8.9	8.8	7.9	7.6
Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Total Direct Earnings	49.5	49.3	53.2	59.7	60.3	56.5	55.1
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	1,330	1,280	1,250	1,300	1,200	1,140	1,120
Arts, Ent. & Rec.	1,090	1,240	1,200	1,190	1,120	1,080	1,110
Retail**	420	380	370	370	360	330	300
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	10	10	10	10	10	10	10
Total Direct Employment	2,850	2,910	2,830	2,880	2,700	2,560	2,530
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	2.4	2.1	2.4	3.2	2.8	2.6	2.8
State Tax Receipts	3.1	3.0	5.3	7.0	6.6	6.0	6.2
Total Direct Gov't Revenue	5.5	5.1	7.7	10.2	9.4	8.6	8.9

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Graham & Greenlee Counties Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	31.1	27.5	31.7	45.0	47.9	35.7	43.1
Other Travel*	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Direct Spending	31.2	27.6	31.8	45.0	47.9	35.8	43.2
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	16.0	14.3	14.4	25.6	27.7	17.7	23.8
Campground	1.2	1.1	1.4	1.5	1.4	1.3	1.2
Private Home	10.7	9.2	12.3	13.4	13.9	12.8	13.6
Vacation Home	0.8	0.8	0.9	1.0	1.2	1.1	1.1
Day Travel	2.4	2.1	2.7	3.5	3.7	2.8	3.4
Destination Spending	31.1	27.5	31.7	45.0	47.9	35.7	43.1
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	5.5	4.8	4.7	9.0	9.8	6.1	7.8
Food Service	7.9	7.2	8.1	11.3	12.0	9.9	11.8
Food Stores	1.2	1.1	1.2	1.4	1.6	1.4	1.5
Local Tran. & Gas	5.6	4.8	7.3	10.2	11.3	7.4	9.4
Arts, Ent. & Rec.	4.6	4.2	4.8	6.2	6.2	5.1	5.8
Retail Sales	6.2	5.3	5.6	6.9	7.0	5.8	6.7
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	31.1	27.5	31.7	45.0	47.9	35.7	43.1
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	4.4	3.9	4.2	6.4	7.5	5.5	6.3
Arts, Ent. & Rec.	2.3	2.1	2.4	3.2	3.4	2.8	3.1
Retail**	1.3	1.1	1.3	1.7	1.8	1.3	1.3
Ground Tran.	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.1	0.1	0.0	0.0	0.0	0.1	0.1
Total Direct Earnings	8.0	7.3	7.9	11.4	12.8	9.7	10.9
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	340	350	360	510	530	400	420
Arts, Ent. & Rec.	140	260	370	550	570	480	500
Retail**	70	60	60	80	80	60	60
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	560	670	800	1,140	1,180	940	990
<b>Government Revenue Generated by Travel Spending (\$Million) (Billion)</b>							
Local Tax Receipts	0.8	0.7	0.7	1.1	1.2	0.9	1.1
State Tax Receipts	1.4	1.3	1.5	1.9	1.9	1.6	1.9
Total Direct Gov't Revenue	2.2	2.0	2.2	3.0	3.2	2.5	3.0

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## La Paz County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	161.9	157.6	186.2	209.7	216.5	179.5	191.5
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Spending	161.9	157.6	186.2	209.7	216.5	179.5	191.5
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	12.9	14.0	14.7	10.8	9.5	10.2	7.4
Campground	45.4	44.9	52.9	61.7	62.4	49.8	51.2
Private Home	18.5	15.4	21.0	23.9	23.2	19.6	22.2
Vacation Home	18.5	18.4	20.8	23.8	26.0	22.3	24.3
Day Travel	66.7	65.0	76.8	89.5	95.5	77.6	86.4
Destination Spending	161.9	157.6	186.2	209.7	216.5	179.5	191.5
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	7.1	7.5	7.7	7.0	6.5	6.5	5.4
Food Service	17.6	17.8	19.9	20.4	20.7	21.3	21.1
Food Stores	13.9	14.3	14.5	14.7	15.6	15.6	14.8
Local Tran. & Gas	48.7	41.7	63.7	88.9	98.2	64.7	82.1
Arts, Ent. & Rec.	47.5	50.4	54.3	52.8	51.0	46.7	43.8
Retail Sales	27.1	26.0	26.1	25.9	24.6	24.7	24.4
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	161.9	157.6	186.2	209.7	216.5	179.5	191.5
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	7.2	7.4	8.1	8.0	8.6	8.8	7.9
Arts, Ent. & Rec.	11.2	11.8	12.8	13.2	13.1	12.3	11.5
Retail**	7.4	7.5	8.4	9.9	10.5	7.9	7.4
Ground Tran.	0.4	0.4	0.5	0.5	0.5	0.5	0.5
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Direct Earnings	26.3	27.0	29.7	31.6	32.7	29.6	27.3
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	550	510	510	470	460	480	410
Arts, Ent. & Rec.	540	510	510	460	440	400	360
Retail**	380	360	400	460	470	360	310
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	1,480	1,400	1,430	1,400	1,380	1,250	1,100
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	1.7	1.7	1.9	2.2	2.1	2.0	1.9
State Tax Receipts	6.1	5.9	7.7	8.9	8.3	7.7	7.9
Total Direct Gov't Revenue	7.8	7.6	9.6	11.0	10.4	9.8	9.9

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.



## Maricopa County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	7,854	7,125	8,851	10,571	10,362	9,033	9,942
Other Travel*	925	853	1,038	1,338	1,281	1,131	1,250
Total Direct Spending	8,779	7,979	9,888	11,910	11,642	10,164	11,193
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	3,673	3,274	3,870	4,735	4,492	3,915	4,355
Campground	181	184	206	229	234	203	196
Private Home	2,600	2,354	3,163	3,723	3,698	3,248	3,554
Vacation Home	153	165	186	212	240	227	236
Day Travel	1,247	1,149	1,426	1,672	1,696	1,440	1,600
Destination Spending	7,854	7,125	8,851	10,571	10,362	9,033	9,942
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	1,296	1,129	1,314	1,665	1,585	1,285	1,353
Food Service	1,684	1,574	1,974	2,267	2,230	2,148	2,354
Food Stores	246	238	273	295	312	301	309
Local Tran. & Gas	1,163	1,014	1,421	1,888	2,044	1,437	1,742
Arts, Ent. & Rec.	1,051	998	1,249	1,377	1,285	1,193	1,262
Retail Sales	1,419	1,246	1,440	1,565	1,454	1,371	1,482
Visitor Air Tran.	995	926	1,179	1,514	1,451	1,298	1,440
Destination Spending	7,854	7,125	8,851	10,571	10,362	9,033	9,942
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	965	876	1,068	1,248	1,319	1,242	1,242
Arts, Ent. & Rec.	433	409	515	591	578	539	560
Retail**	248	227	270	318	317	254	254
Ground Tran.	48	44	51	58	57	53	54
Visitor Air Tran.	400	389	467	520	498	494	502
Other Travel*	416	389	446	500	484	467	479
Total Direct Earnings	2,509	2,334	2,817	3,233	3,254	3,048	3,091
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accom. & Food Serv.	45.6	39,210	44,380	47.6	47.5	44.9	44.1
Arts, Ent. & Rec.	16.6	14,080	18,120	19.2	19.2	17.0	17.1
Retail**	9.0	7,830	8,900	9.8	9.8	7.8	7.8
Ground Tran.	1.7	1,490	1,570	1.6	1.6	1.4	1.4
Visitor Air Tran.	8.1	6,870	7,110	7.4	6.8	6.3	6.0
Other Travel*	9.4	7,780	7,550	7.9	7.3	6.7	6.5
Total Direct Employment	90.5	77,260	87,630	93.6	92.3	84.1	82.9
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	268	239	282	330	318	282	306
State Tax Receipts	290	280	336	383	367	337	374
Total Direct Gov't Revenue	558	519	618	713	685	620	680

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Mohave County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	320.1	314.0	396.0	481.4	452.9	395.1	438.3
Other Travel*	1.5	1.2	1.5	1.9	2.7	0.5	0.6
Total Direct Spending	321.6	315.2	397.5	483.3	455.7	395.6	438.9
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	106.1	113.7	138.8	180.8	146.8	133.6	155.0
Campground	29.3	28.6	32.5	35.7	37.7	31.1	30.8
Private Home	96.3	84.6	117.4	136.0	133.6	114.5	125.4
Vacation Home	32.8	34.3	39.4	45.7	51.1	45.9	48.0
Day Travel	55.5	52.8	68.0	83.2	83.6	69.9	79.2
Destination Spending	320.1	314.0	396.0	481.4	452.9	395.1	438.3
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	38.6	41.0	48.6	63.9	49.2	44.8	48.4
Food Service	67.9	69.4	88.4	106.5	97.1	97.9	107.3
Food Stores	23.7	24.8	27.4	29.8	31.5	31.2	31.0
Local Tran. & Gas	64.3	55.0	84.1	117.3	129.6	85.4	108.3
Arts, Ent. & Rec.	51.0	52.8	65.5	73.6	65.9	63.9	66.6
Retail Sales	67.7	64.3	73.8	82.6	73.2	72.0	76.7
Visitor Air Tran.	6.9	6.7	8.2	7.7	6.5	0.0	0.0
Destination Spending	320.1	314.0	396.0	481.4	452.9	395.1	438.3
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	34.3	35.5	44.2	54.1	50.7	50.9	49.6
Arts, Ent. & Rec.	21.8	22.5	28.1	33.1	31.0	30.1	30.8
Retail**	15.4	15.2	18.0	21.8	21.7	17.5	17.2
Ground Tran.	0.5	0.5	0.6	0.6	0.6	0.7	0.7
Visitor Air Tran.	2.8	2.8	3.2	3.5	2.9	0.0	0.0
Other Travel*	0.8	0.7	0.7	1.0	1.3	0.4	0.4
Total Direct Earnings	75.5	77.2	94.8	114.0	108.3	99.7	98.8
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	2,400	2,300	2,590	3,030	2,590	2,640	2,560
Arts, Ent. & Rec.	1,330	1,410	1,660	1,980	1,530	1,400	1,450
Retail**	710	630	700	820	770	630	610
Ground Tran.	20	20	20	20	20	20	20
Visitor Air Tran.	60	50	50	50	40	0	0
Other Travel*	30	20	20	20	30	10	10
Total Direct Employment	4,540	4,430	5,030	5,930	4,980	4,700	4,650
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	7.0	7.1	8.6	10.4	8.9	8.6	9.5
State Tax Receipts	13.7	14.1	16.9	19.6	17.7	16.8	18.4
Total Direct Gov't Revenue	20.7	21.2	25.5	30.0	26.6	25.4	27.9

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Navajo County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	239.2	220.8	237.3	282.8	306.1	255.6	269.5
Other Travel*	0.3	0.3	0.2	0.2	0.3	0.3	0.3
Total Direct Spending	239.5	221.1	237.5	283.1	306.4	255.9	269.9
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	121.8	108.1	101.0	128.4	146.0	113.5	117.9
Campground	27.2	27.0	32.6	36.6	36.2	31.0	31.2
Private Home	31.8	27.3	37.2	41.8	40.8	36.9	40.9
Vacation Home	41.3	42.6	47.8	53.4	58.8	54.4	57.6
Day Travel	17.2	15.8	18.6	22.7	24.3	19.9	22.0
Destination Spending	239.2	220.8	237.3	282.8	306.1	255.6	269.5
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	44.0	38.3	35.9	43.7	50.3	40.9	40.6
Food Service	44.1	40.2	41.5	50.1	55.2	48.8	50.2
Food Stores	25.2	25.6	26.6	28.2	31.5	30.9	30.3
Local Tran. & Gas	37.0	31.7	48.5	67.6	74.7	49.2	62.4
Arts, Ent. & Rec.	44.2	44.9	45.3	50.1	50.6	45.3	45.0
Retail Sales	44.6	40.0	39.4	43.2	43.9	40.5	41.0
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	239.2	220.8	237.3	282.8	306.1	255.6	269.5
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	30.9	27.5	27.1	32.1	39.2	36.2	35.4
Arts, Ent. & Rec.	16.6	16.4	17.0	19.7	21.0	19.0	18.5
Retail**	10.4	10.0	10.7	12.6	13.6	10.9	10.4
Ground Tran.	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.2	0.3	0.2	0.2	0.2	0.2	0.2
Total Direct Earnings	58.4	54.4	55.3	65.0	74.4	66.7	64.9
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	2,190	1,780	1,630	1,690	1,870	1,690	1,660
Arts, Ent. & Rec.	990	930	950	1,080	1,080	910	820
Retail**	560	480	500	560	570	460	430
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	10	10	10	10	10	10	10
Total Direct Employment	3,770	3,220	3,100	3,350	3,540	3,080	2,930
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	5.8	5.1	5.1	6.0	6.6	5.7	5.9
State Tax Receipts	8.9	8.5	9.4	10.8	11.1	9.9	10.5
Total Direct Gov't Revenue	14.8	13.6	14.5	16.8	17.8	15.7	16.3

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Pima County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	1,848	1,765	1,993	2,231	2,065	1,909	1,988
Other Travel*	27	23	26	32	36	31	35
Total Direct Spending	1,876	1,788	2,019	2,263	2,101	1,940	2,022
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	813	738	814	960	797	741	796
Campground	66	67	75	81	83	74	71
Private Home	431	379	501	564	562	495	536
Vacation Home	31	32	35	39	44	42	43
Day Travel	507	549	568	586	579	557	541
Destination Spending	1,848	1,765	1,993	2,231	2,065	1,909	1,988
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	338	302	332	413	340	303	312
Food Service	431	413	483	538	495	489	518
Food Stores	100	109	109	107	108	112	103
Local Tran. & Gas	216	190	258	338	363	261	311
Arts, Ent. & Rec.	268	256	305	323	288	271	280
Retail Sales	480	481	488	488	443	449	437
Visitor Air Tran.	15	14	18	23	28	24	26
Destination Spending	1,848	1,765	1,993	2,231	2,065	1,909	1,988
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	254	236	270	307	294	281	278
Arts, Ent. & Rec.	107	102	122	136	126	119	121
Retail**	80	81	85	90	86	77	71
Ground Tran.	13	12	14	15	15	14	14
Visitor Air Tran.	6	6	7	8	9	9	9
Other Travel*	16	13	14	15	16	14	16
Total Direct Earnings	475	450	511	570	546	514	509
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	13,370	12,180	13,240	14,070	12,370	11,970	11,630
Arts, Ent. & Rec.	6,640	6,260	7,860	7,810	6,440	6,440	6,660
Retail**	3,360	3,220	3,220	3,290	3,170	2,810	2,530
Ground Tran.	460	400	420	420	440	380	360
Visitor Air Tran.	130	110	110	110	120	110	100
Other Travel*	470	360	310	310	290	240	240
Total Direct Employment	24,430	22,520	25,150	26,020	22,840	21,950	21,520
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	41.2	38.0	41.9	50.2	43.7	40.5	42.7
State Tax Receipts	68.8	70.7	79.4	87.5	79.6	76.0	81.4
Total Direct Gov't Revenue	110.0	108.7	121.2	137.8	123.3	116.5	124.1

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Pinal County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	262.7	256.5	322.7	407.6	461.0	425.0	482.1
Other Travel*	0.1	0.1	0.4	0.4	0.4	0.5	0.6
Total Direct Spending	262.8	256.6	323.1	408.0	461.4	425.6	482.6
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	46.4	48.9	51.9	63.5	68.9	59.5	67.3
Campground	16.7	16.3	18.5	19.7	18.8	16.4	15.5
Private Home	89.7	80.5	117.0	154.3	174.6	165.6	193.6
Vacation Home	36.7	39.5	47.0	61.4	78.2	75.9	84.3
Day Travel	73.2	71.3	88.2	108.7	120.5	107.6	121.5
Destination Spending	262.7	256.5	322.7	407.6	461.0	425.0	482.1
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	18.4	19.1	20.2	24.6	26.6	22.5	23.9
Food Service	58.0	57.9	75.2	96.9	113.1	113.9	130.3
Food Stores	23.1	24.5	28.2	34.6	44.4	45.1	48.4
Local Tran. & Gas	44.1	37.7	57.7	80.5	88.9	58.6	74.3
Arts, Ent. & Rec.	53.7	55.5	68.8	82.2	90.7	87.8	95.6
Retail Sales	65.3	61.8	72.6	88.7	97.4	97.2	109.4
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	262.7	256.5	322.7	407.6	461.0	425.0	482.1
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	24.8	25.0	31.0	39.5	49.5	48.7	50.9
Arts, Ent. & Rec.	23.5	24.1	30.5	38.6	44.9	43.9	47.2
Retail**	13.1	12.9	15.5	19.9	22.8	19.9	20.8
Ground Tran.	0.4	0.3	0.4	0.4	0.4	0.5	0.5
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.1	0.1	0.3	0.3	0.3	0.4	0.4
Total Direct Earnings	61.8	62.4	77.7	98.7	117.9	113.4	119.8
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	1,580	1,550	1,820	2,100	2,350	2,200	2,120
Arts, Ent. & Rec.	960	1,420	1,640	1,950	1,670	1,490	1,330
Retail**	620	570	640	800	890	760	750
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	20	10	10	10	10
Total Direct Employment	3,180	3,560	4,130	4,870	4,940	4,480	4,230
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	4.9	4.8	5.9	7.5	8.5	8.3	9.6
State Tax Receipts	10.1	10.3	12.8	15.7	16.8	16.2	18.7
Total Direct Gov't Revenue	15.0	15.1	18.8	23.2	25.4	24.5	28.3

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Santa Cruz County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	236.9	297.6	272.2	254.0	257.0	269.6	235.3
Other Travel*	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Total Direct Spending	236.9	297.7	272.3	254.1	257.0	269.6	235.4
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	29.0	27.9	32.6	38.8	42.4	30.8	40.1
Campground	4.4	4.5	5.3	5.9	5.9	5.3	5.2
Private Home	8.0	7.1	9.7	11.0	10.7	10.0	10.9
Vacation Home	0.9	1.0	1.1	1.3	1.4	1.3	1.4
Day Travel	194.5	257.1	223.5	197.1	196.6	222.2	177.8
Destination Spending	236.9	297.6	272.2	254.0	257.0	269.6	235.3
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	11.6	11.1	12.8	15.3	16.6	12.1	15.1
Food Service	29.1	35.0	33.9	34.1	34.7	35.3	33.8
Food Stores	90.4	120.1	103.5	90.0	90.6	103.1	81.1
Local Tran. & Gas	8.7	7.5	11.4	15.9	17.6	11.6	14.7
Arts, Ent. & Rec.	6.9	6.9	8.4	9.2	9.2	7.7	8.7
Retail Sales	90.1	117.0	102.2	89.5	88.4	99.8	81.9
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Destination Spending	236.9	297.6	272.2	254.0	257.0	269.6	235.3
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	13.1	14.9	15.0	15.6	17.6	16.4	14.8
Arts, Ent. & Rec.	3.3	3.3	3.9	4.5	4.7	4.0	4.4
Retail**	25.8	33.6	29.4	26.4	26.4	27.9	21.9
Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Visitor Air Tran.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	0.0	0.1	0.0	0.0	0.1	0.1	0.1
Total Direct Earnings	42.2	51.9	48.5	46.7	48.9	48.4	41.3
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	830	960	930	900	830	780	700
Arts, Ent. & Rec.	250	230	250	320	320	270	280
Retail**	1,060	1,290	1,090	910	860	910	680
Ground Tran.	0	0	0	0	0	0	0
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	0	0	0	0	0	0	0
Total Direct Employment	2,140	2,490	2,280	2,130	2,020	1,970	1,660
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	4.7	5.7	5.3	5.1	5.2	5.3	4.9
State Tax Receipts	6.9	9.4	8.7	8.2	8.2	8.6	8.0
Total Direct Gov't Revenue	11.6	15.1	14.0	13.3	13.4	13.8	12.9

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Yavapai County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	554.8	537.0	588.9	683.9	701.6	622.0	647.7
Other Travel*	2.9	3.0	1.0	0.9	1.0	0.9	0.6
Total Direct Spending	557.8	540.0	589.9	684.8	702.7	622.9	648.3
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	208.1	194.8	197.8	255.5	268.3	226.7	241.5
Campground	39.8	40.7	44.1	46.2	45.4	42.9	40.0
Private Home	82.1	73.6	99.9	114.1	111.5	100.1	106.9
Vacation Home	16.8	18.2	20.1	22.6	25.0	24.4	24.6
Day Travel	208.0	209.8	227.0	245.4	251.4	228.0	234.7
Destination Spending	554.8	537.0	588.9	683.9	701.6	622.0	647.7
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	86.0	79.6	81.5	109.8	115.7	95.2	99.1
Food Service	133.1	130.8	146.5	172.8	180.8	169.5	178.0
Food Stores	30.8	31.2	33.2	35.7	38.5	37.3	36.2
Local Tran. & Gas	27.4	23.5	35.9	50.0	55.3	36.4	46.2
Arts, Ent. & Rec.	146.5	149.9	165.6	177.4	176.7	157.3	157.9
Retail Sales	131.1	121.9	126.1	137.9	134.5	126.2	130.2
Visitor Air Tran.	0.0	0.1	0.1	0.2	0.1	0.2	0.1
Destination Spending	554.8	537.0	588.9	683.9	701.6	622.0	647.7
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	71.5	68.8	74.7	90.8	103.6	91.6	87.6
Arts, Ent. & Rec.	51.7	52.2	58.3	66.6	68.5	61.9	61.4
Retail**	21.4	20.3	21.6	24.5	24.8	21.3	20.7
Ground Tran.	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Visitor Air Tran.	0.0	0.0	0.0	0.1	0.0	0.1	0.1
Other Travel*	2.1	2.2	0.7	0.6	0.7	0.6	0.4
Total Direct Earnings	146.9	143.8	155.5	182.9	198.0	175.8	170.4
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	4,430	4,090	3,910	4,170	4,460	3,930	3,690
Arts, Ent. & Rec.	2,590	3,490	3,850	3,800	3,750	3,370	3,140
Retail**	980	870	870	980	980	850	800
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	0	0	0	0	0	0
Other Travel*	100	90	30	30	30	20	10
Total Direct Employment	8,100	8,540	8,660	8,990	9,230	8,180	7,650
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	12.0	11.2	12.4	15.5	15.9	13.9	14.8
State Tax Receipts	15.3	15.4	18.9	23.4	23.7	21.0	22.6
Total Direct Gov't Revenue	27.3	26.7	31.3	38.8	39.6	35.0	37.4

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## Yuma County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	438.6	482.1	529.7	583.6	595.4	573.8	562.4
Other Travel*	5.5	2.5	2.9	3.3	3.2	3.3	3.3
Total Direct Spending	444.0	484.6	532.6	586.9	598.6	577.1	565.7
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	95.5	102.9	132.1	176.3	185.0	167.1	173.9
Campground	57.3	57.9	64.6	68.4	66.9	59.1	55.9
Private Home	76.9	68.4	91.9	103.1	101.7	95.5	104.6
Vacation Home	33.8	35.3	38.8	43.3	48.3	46.5	48.5
Day Travel	175.1	217.5	202.3	192.5	193.6	205.6	179.5
Destination Spending	438.6	482.1	529.7	583.6	595.4	573.8	562.4
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	32.2	33.4	40.8	56.1	58.7	54.1	53.2
Food Service	72.5	77.2	90.8	104.1	107.5	110.5	112.4
Food Stores	70.1	84.6	79.4	75.4	79.1	85.0	74.2
Local Tran. & Gas	34.4	29.4	45.0	62.8	69.3	45.7	57.9
Arts, Ent. & Rec.	91.6	96.4	117.9	134.7	133.3	120.6	121.0
Retail Sales	137.9	158.4	152.5	147.7	144.7	155.3	141.0
Visitor Air Tran.	0.0	2.7	3.3	2.9	2.7	2.6	2.7
Destination Spending	438.6	482.1	529.7	583.6	595.4	573.8	562.4
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	32.8	34.7	41.4	49.7	56.0	58.3	55.4
Arts, Ent. & Rec.	33.9	35.2	43.2	51.5	52.7	49.1	48.8
Retail**	30.1	34.9	34.0	34.4	35.1	33.9	29.4
Ground Tran.	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Visitor Air Tran.	0.0	1.1	1.3	1.3	1.2	2.6	2.7
Other Travel*	2.4	1.2	1.3	1.6	1.6	3.2	3.2
Total Direct Earnings	99.4	107.4	121.5	138.9	146.9	147.5	139.9
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	2,110	2,090	2,350	2,630	2,700	2,760	2,530
Arts, Ent. & Rec.	1,500	2,120	2,270	2,450	2,110	2,000	2,130
Retail**	1,320	1,390	1,240	1,270	1,240	1,190	1,020
Ground Tran.	10	10	10	10	10	10	10
Visitor Air Tran.	0	20	20	20	20	30	30
Other Travel*	60	30	30	30	30	50	40
Total Direct Employment	5,000	5,650	5,920	6,410	6,110	6,040	5,770
<b>Government Revenue Generated by Travel Spending (\$Million)illion)</b>							
Local Tax Receipts	10.5	11.6	12.5	14.0	14.2	14.4	14.1
State Tax Receipts	14.0	16.3	19.3	22.2	22.2	21.9	22.2
Total Direct Gov't Revenue	24.5	27.8	31.7	36.3	36.4	36.3	36.3

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.



## **APPENDICES**

*Appendix A.* Regional Travel Impact Model

*Appendix B. Travel Industry Accounts: A comparison of the  
Regional Travel Impact Model and  
Travel & Tourism Satellite Accounts*

*Appendix C.* Arizona Earnings and Employment by Industry Sector

*Appendix D.* Secondary Impacts Industry Groups

## **REGIONAL TRAVEL IMPACT MODEL**

This appendix provides a brief overview of methodology, terminology and limitations of these impact estimates. The various appendices in this report provide greater detail for many of these topics.

### **DIRECT IMPACTS**

The estimates of the direct impacts associated with traveler spending in Arizona were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The input data used to detail the economic impacts of the Arizona travel industry were gathered from various local, state and federal sources.

Travel impacts consist of estimates of travel spending and the employment, earnings and tax receipts generated by this spending. These estimates are also broken out by type of traveler accommodation and by the type of business in which the expenditures occur. A description of RTIM methodology is included in Appendices A and B.

### **SECONDARY (INDIRECT AND INDUCED) IMPACTS**

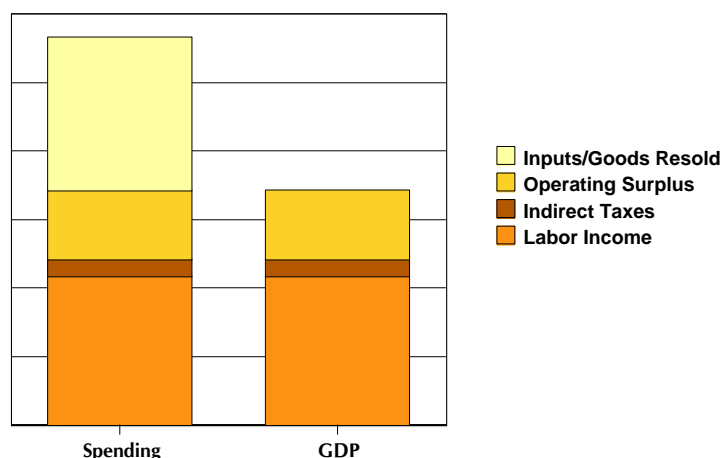
Direct impacts are reported for all counties within Arizona. Secondary employment and earnings impacts over and above direct impacts are reported at the state level only for the year 2010. These indirect and induced impacts are generated from the direct impacts produced by the RTIM, discussed above, and an input-output model of the Arizona economy prepared by the Minnesota IMPLAN Group, Inc. Indirect impacts represent the purchases of goods and services from other firms by businesses that directly receive expenditures from travelers. Hotels, for example, purchase maintenance services from independent contractors. Induced impacts represent the purchase of goods and services by employees whose earnings are in part derived from travel expenditures. The sum of the direct, indirect and induced impacts equals the total impact of all spending by visitors in the state. The “multiplier” refers to the ratio of the total impacts to the direct impacts for employment or earnings.

### **GROSS DOMESTIC PRODUCT**

An estimate of the Gross Domestic Product (GDP) of the Arizona travel industry based on the RTIM direct travel impacts is also provided in this report. The GDP of an industry is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries). GDP is always less than output or sales because GDP measures only the “value added” of an industry and does not include the cost of the inputs that are also necessary to produce a good or service. GDP is a useful concept because it permits comparisons of the economic contributions of different industries.

The relationship between spending and gross domestic product is illustrated in the figure below. Examples of inputs are the food or accounting services that restaurants purchase from suppliers. “Goods resold” are the commodities that retail establishments purchase from manufacturers or wholesale trade businesses and resell with a markup. These inputs or goods are not counted as the GDP of the restaurant or retail industry because their value was created in other industries (agriculture, accounting, manufacturing).

### Relationship Between Spending and Gross Domestic Product



It is for this reason that “travel spending” – as measured from surveys of visitors – is not the best measure of the travel industry’s real economic contribution. This is because some visitor spending is actually counted as the GDP of other industries (e.g., agriculture, accounting, manufacturing). Furthermore, these other industries may or may not be located within the geographic area of interest. If the farm were located within the region of interest, then the GDP of the local farm would be included as an indirect or secondary effect. If not (e.g., a manufacturing firm in another state or country), then that part of GDP is not counted.

The preceding graph also shows the three main components of GDP. For most industries, labor income (essentially equivalent to earnings in this report) is the primary component of GDP. This is true of the travel industry. A second component is the tax payments that businesses make to government, such as sales, excise and property taxes. In the case of sales taxes, businesses are essentially a collection agency for the government. The final component, operating surplus, represents the income and payments (e.g., dividends, interest) to other stakeholders of the firm.

The concept of GDP also illustrates that with small geographic units of analysis (e.g., counties), earnings, employment, and tax revenues are the best measures of the economic value of the travel industry to the local economy. Small area measures of GDP are less reliable and much of the operating surplus may leak out of the local economy anyway. Indirect effects are also generally less in smaller economies.

## COMPARISON WITH OTHER EXPORT-ORIENTED INDUSTRIES

Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations. Agriculture, mining, and manufacturing are the best examples of export-oriented industries. Clearly, there are cases in each of these three sectors where the products are sold within the local or regional market. Nonetheless, in general most businesses within these industries depend on export markets. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. The travel industry injects money into the local economy, as do the exports of other industries.

Exports are not necessarily more important than locally traded goods and services. However, diverse export-oriented industries in any economy are a source of strength – in part because they generate income that contributes to the development of other local services and amenities. Such industries characterize the “comparative advantage” of the local economy within larger regional, national and global markets.

For the purposes of this report, we have defined five major export-oriented industries in Arizona.

- **Aerospace.** This industry comprises establishments engaged in aerospace product and parts manufacturing.
- **Microelectronics.** This industry includes establishments that manufacture computers, communications equipment and similar products and components that utilize integrated circuits. This is the largest manufacturing subsector (NAICS 334).
- **Food.** The food group encompasses parts of two major industry categories: agriculture, and food manufacturing or processing.
- **Mining.** This industry is comprised primarily of copper mining companies.
- **Travel.** A portion of the transportation, retail, leisure, and hospitality industries as estimated in this report.

These industries are compared in terms of earnings and GDP in order to illustrate the significance of the travel industry in the larger economy. This type of comparison is more meaningful for the travel industry than comparisons with non-export oriented industries (e.g., health care, retail trade, government) where industry growth is largely a function of population and demographic factors. See Appendix C for a list of Arizona industries.

## TRAVEL RELATED CONSTRUCTION ACTIVITY

Investment in the infrastructure of the travel industry represents another aspect of the travel economy. In the short term, such investments provide employment in the construction trades and architectural professions. In the longer term, investments in accommodations, attractions and other facilities serve to maintain and enhance

Arizona's share of the visitor market. The statewide estimate of travel related construction activity is based on McGraw-Hill Dodge Construction statistics.

### **PRELIMINARY ESTIMATES**

Preliminary estimates for 2009 were prepared at the state and county level. These estimates take advantage of the most current available data. However, because full-year data was not available in all cases, these estimates are subject to subsequent revision as additional information relating to travel and its economic impact in 2009 becomes available.

### **STATEWIDE TAX IMPACTS**

As with last year's report, the sum of travel-generated state and local tax revenues at the county level is less than the statewide estimate of state and local tax revenues. This is because property taxes and the sales tax revenues attributable to the spending of travel industry employees are included at the statewide level. Data limitations do not permit the estimate of the aforementioned taxes at the county level.

### **TYPES OF TRAVEL IMPACTS INCLUDED**

Most of the travel that occurs in Arizona is included in the scope of this analysis. The purpose of such travel can be for business, pleasure, shopping, to attend meetings, or for personal, medical or educational purposes. All trips to Arizona by U.S. residents and foreign visitors are included. The travel of Arizona residents to other destinations within Arizona is included, provided that it is neither commuting nor other routine travel. Travel to non-Arizona destinations by Arizona residents is not included as a component of visitor spending. Outbound air travel impacts and spending on travel arrangement services are included in the "Other Travel" category.

The impacts associated with both overnight and day travel are included if the travelers remain at the destination overnight or the destination is over 50 miles, one-way, from the traveler's home. These definitions are used to screen and, if necessary, to interpret and adjust local data used for travel impact measurements. The most conservative interpretation is employed where data limitations cause deviations from the above definition.

### **TRANSPORTATION IMPACTS**

The focus of this analysis is on the destination-specific impacts of visitors. This is straightforward with respect to the spending on commodities such as accommodations, food services, recreation and retail purchases. It is less obvious with respect to ground and air transportation services, in that transportation provides a link between an origin and destination. In this report, the impacts related to spending on transportation are allocated to the location (i.e., county) in which those spending impacts occur, regardless of whether that location is the ultimate destination of the visitor. For this reason, urban counties will tend to have relatively greater transportation impacts even though some of that spending on transportation will be related to visits at other destinations.

## IMPACT CATEGORIES

The specific categories of travel impacts included in this analysis are as follows:

Impact Category	Description
Expenditures	Purchases by travelers during their trip, including lodging taxes and other applicable local and state taxes, paid by the traveler at the point of sale.
Earnings	The earnings (wage and salary disbursements, earned benefits and proprietor income) of employees and owners of businesses that receive travel expenditures. Only the earnings attributable to travel expenditures are included; this typically is only a portion of all business receipts.
Employment	Employment associated with the above earnings; this includes both full- and part-time positions of wage and salary workers and proprietors.
Local Tax Receipts	Tax receipts collected by counties and municipalities, as levied on applicable travel-related purchases, including lodging, food and beverage service, retail goods and auto rental. The local share of the state transaction privilege tax is also included in this category. Property taxes are included for the statewide total. They are not included for county level estimates.
State Tax Receipts	The state share of the transaction privilege tax, personal and business income taxes, motor fuel tax and contributions from tribal gaming revenue is included in state tax receipts. Also included at the state level only is an estimate of the sales tax payments associated with travel industry earnings.

## VISITOR CATEGORIES

Travelers are classified according to the type of accommodation in which they stay. The types of visitors are as follows:

Type of Visitor	Description
Hotel/Motel	Travelers staying in hotels, motels, resorts, bed & breakfast establishments, and other commercial accommodations, excluding campgrounds, where a transient lodging tax is collected.
Campground	Travelers staying in a privately owned (i.e., commercial) or publicly managed campgrounds.
Private Home	Travelers staying as guests with friends or relatives.
Vacation Home	Travelers using their own vacation home or timeshare and those borrowing or renting a vacation home where a transient lodging tax is not collected.
Day Visitor	Both in-state and out-of-state residents whose trip does not include an overnight stay at a destination in Arizona.

## REPORTING FORMAT

A description of the headings and categories of the detailed direct impact tables is provided below.

- *Total Direct Travel Spending* includes the total visitor spending at destination, described above, plus spending on travel agencies and resident air travel (other spending). Total direct travel spending does not include secondary (indirect and induced) effects.
- *Visitor Spending by Type of Traveler Accommodation* refers to the total direct spending of each category of visitor at that destination (county or state). For example, the spending of visitors that stayed at hotels or motels includes their spending on accommodations, food & beverage service, recreation, transportation and all other visitor related commodities.
- *Visitor Spending by Commodity Purchased* refers to the total spending on each commodity for all types of visitors. For example, the total spending on Food & Beverage Services includes spending by visitors staying in hotels, private campgrounds, private homes and the other types of accommodation. The total spending on commodities is identical to the total spending by type of accommodation.

The next two sections, *Travel-Generated Earnings and Employment by Industry*, provide estimates of travel-generated earnings and employment that are based on an industry, rather than a commodity, classification. A business that is classified in a particular industry may include more than one commodity. For example, a resort that is classified in the accommodation industry may provide accommodations, food and beverages, and recreation.

- *Industry Earnings Generated by Travel Spending* includes the payroll, other earned benefits and proprietor income of all employees in that industry classification.
- *Industry Employment Generated by Travel Spending* includes all full- and part-time employees. This includes payroll employees covered by unemployment insurance and those that are not, as well as proprietors.

The final section provides an estimate of tax receipts generated by travel spending.

- *Tax Revenues Generated by Travel Spending* provides a breakout of local, state and federal tax receipts at the state level, and local and state tax receipts at the county level. Local taxes include all room taxes, local sales taxes and local auto rental taxes plus the local share of the state transaction privilege tax. The state share of the transaction privilege tax, personal and business income taxes, motor fuel tax and contributions from tribal gaming revenue are included in state tax receipts. Federal taxes include income and payroll taxes, the motor fuel excise tax and airline ticket taxes.

## INTERPRETATION OF IMPACT ESTIMATES

Users of this report should be aware of several issues regarding the interpretation of the impact estimates contained herein.

- The monetary estimates in this report are generally expressed in *current* dollars. There is no adjustment for inflation unless noted.
- The employment estimates in this report are estimates of the total number of full- and part-time jobs (positions) directly generated by travel spending, rather than the number of individuals employed. Both payroll jobs and self-employment are included in these estimates. Caution should therefore be used in comparing these estimates with other employment data series.
- In general, estimates of small geographic areas (e.g., rural counties) are less reliable than estimates for regions or metropolitan counties. Trend analysis and comparisons of counties with relatively low levels of travel-related economic activity should therefore be interpreted cautiously.
- The estimates of travel impacts published in this report will necessarily differ somewhat from estimates generated from different models, methodologies and data sources. Nonetheless, it should be emphasized that all credible estimates of direct travel impacts at the state level, including those of Dean Runyan Associates, are of similar magnitude.



## **TRAVEL INDUSTRY ACCOUNTS: A COMPARISON OF THE REGIONAL TRAVEL IMPACT MODEL AND TRAVEL & TOURISM SATELLITE ACCOUNTS**

An economic account is a method for displaying inter-related information about a set of economic activities. A travel industry account is a method to report different types of related information about the purchase of goods and services by visitors. The Bureau of Economic Analysis (BEA), which now provides annual and quarterly estimates of travel and tourism at the national level describes a Travel and Tourism Satellite Account (TTSA) as “present(ing) a rearrangement of information from the National Income and Product Accounts, from the industry accounts, and from other sources so that travel and tourism activities can be analyzed more completely than is possible in the structure of the traditional national economic accounts.”<sup>10</sup> Similarly, the RTIM has been developed by Dean Runyan Associates to estimate travel spending, earnings, employment, and tax receipts at the state, county, and regional levels. These initial findings can, in turn, be used as input data for deriving estimates of other economic measures, such as value-added and indirect effects.

This appendix provides an overview of the Regional Travel Impact Model (RTIM) and travel and tourism satellite accounts (TTSAs). Although there is no single or absolute form of a TTSA, the one developed by the Bureau of Economic Analysis (BEA) will be the basis of the analysis here. The definitions, framework, and estimating methods used for the U.S. BEA TTSA follow, as closely as is practicable, the guidelines for similar travel satellite accounts that were developed by the World Tourism Organization (WTO) and the Organization for Economic Co-operation and Development (OECD).

The primary focus is on the direct impacts of visitor spending. Visitors are defined as persons that stay overnight away from home, or travel more than fifty miles one-way on a non-routine trip. Only the expenditures related to specific trips are counted as visitor spending. Other travel related expenditures such as the consumption of durable goods (e.g., recreational vehicles or sporting equipment) or the purchase of vacation homes are not considered.

While such a definition of the travel industry (i.e., the trip related expenditures of visitors) is conservative, it is also in keeping with the notion of the travel industry as being an export-oriented industry for specific local communities. That is, visitors are important to regions because they inject money into the local economy. This focus on the export-oriented nature of the travel industry for local communities becomes blurred if the industry is defined so as to include non-trip related expenditures.

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<sup>10</sup> Peter D. Kuhbach, Mark A. Planting, and Erich H. Strassner, “U.S. Travel and Tourism Satellite Accounts for 1998-2003,” *Survey of Current Business* 84 (September 2004): 43-59.

## PRIMARY CONCEPTS, CATEGORIES & DATA REQUIREMENTS

There are three primary types of information that are measured and/or estimated in a travel industry account. The first is a measure of the **travel industry** in terms of both the characteristics of the business firms that sell travel goods and services and the characteristics of consumers that purchase travel industry goods and services. The second is measure of the **demand segments** that consume travel industry goods and services. For example, the distinction between business and leisure travel is a measure of demand segments. The third is a measure of the **components of economic output** associated with the travel industry. The employee earnings generated by visitor spending is one such component. Travel-generated tax receipts are another. These three categories of information represent different aspects of the accounting ledger – they represent different ways of viewing or analyzing the travel industry.

The bulk of this paper will discuss these three types of information in terms of their conceptual foundations, the data requirements, and some of the more salient issues that users of this information should be aware of. There will also be some discussion of **indirect and induced effects** in that these effects can be reasonably estimated from the direct travel industry accounts. These secondary (versus direct) effects describe the relationship of the travel industry to other sectors of the larger economy.

The intent of this discussion will be to provide a general overview of the process of constructing travel industry accounts and the underlying similarity between the RTIM and a TTSA. More technical issues are generally placed in footnotes.

## TRAVEL INDUSTRY

Defining the travel industry is probably the most critical and data intensive effort involved in developing a travel industry account. It is an exercise in matching supply (sellers of goods and services) with demand (the travelers that purchase those particular goods and services). It is complicated by the fact that no single industrial classification scheme provides a valid measure of the travel industry.<sup>11</sup> There are only three significant industrial classifications, accommodations (NAICS 721) and Scheduled Passenger Air Transportation (NAICS 481111) and Travel Arrangement and Reservation Services (NAICS 5615) that *primarily* sell travel industry goods and services.<sup>12</sup> Firms in other industries (retail, recreation, transportation) provide goods and services to both travelers and other types of consumers.

Because of this, most satellite accounts, as well as the RTIM, incorporate at least some information about the expenditures of visitors in order to define the supply of visitor industry firms. For example, if there is an estimate of visitor-days and an

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<sup>11</sup> The North American Industrial Classification System (NAICS) is the current standard in the United States.

<sup>12</sup> Even these industries are not purely travel. For example, the accommodations industry provides services to local residents (food service and meeting rooms). Passenger airlines also ship cargo on the same planes that carry passengers. Fortunately, it is usually possible to make adjustments for these non-travel components through the use of additional data.

estimate of how much the average visitor spends on food services per day, then an estimate of visitor spending on food services can be calculated. In most cases, this will be only a fraction of all food service sales in that residents are a larger market for most restaurants.<sup>13</sup>

The industry sectors that are usually matched to visitor spending in this way are: accommodations (NAICS 721), food service (722), arts, entertainment and recreation (71), and retail trade (44-45). A portion of transportation business is also part of the travel industry for obvious reasons.

In the case of the transportation sector, the definition and measurement of the travel industry component is more complicated because most transportation spending by visitors involves travel to and from the destination, rather than travel at or within the destination market. This is not an issue if the geographic scope of the travel industry market includes the origin and destination of travel. National travel industry accounts thus include all domestic passenger air transportation in the travel industry. The issue is more complicated at the state or regional level, however. Suppose, for example, that the focus of a travel industry account is the state of Arizona. How should the purchase of a round trip airline ticket by a Chicago resident traveling to Phoenix be treated in that only some of the economic impact of this spending will occur in Arizona? A reasonable approach would be to allocate only a portion of this spending (and related payroll, taxes, etc.) to Arizona and ignore the remainder for the purpose of creating a travel industry account for Arizona. However, if this procedure were followed for every state, the sum of the state accounts would be less than the national travel account. The state accounts would be additive if outbound air travel from each state were included. However, this is methodologically inconsistent with the construction of a national account, which does not include outbound travel as a component of domestic tourism demand. The approach used in the RTIM is to make a distinction between the *visitor industry*, that includes only visitor demand, and the *travel industry*, which includes visitor demand and that portion of outbound travel that can be attributed to the resident economy. For example, the passenger air transportation employment in Arizona can be divided between three groups of travelers: inbound, outbound, and pass-through. Only that employment attributable to inbound travel is part of the Arizona *visitor industry*. Employment attributable to outbound and pass-through travelers is included with the larger *travel industry*.<sup>14</sup>

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<sup>13</sup> The proportion can vary enormously among regions and localities, however. In many popular visitor destinations, the primary market for food service will be visitors. It should also be noted that even with reliable visitor survey data, there is still the issue of how to translate spending on food service *commodities* to the supply of food service by *industry*. As indicated in the footnote above, food service is also supplied by the accommodation industry.

<sup>14</sup> The same issue arises with Travel agencies and reservation services (NAICS 5615). Most of these services are probably related to outbound travel and are treated as such in the RTIM.

The following two tables display the specific industries that are included in the travel industry for the BEA's national TTSA and the RTIM. Although not identical, the industries are equivalent with only a few exceptions.<sup>15</sup>

**Bureau of Economic Analysis Tourism Industries  
Distribution of Travel-Generated Compensation  
in United States, 2007**

<b>Accommodation &amp; Food Services</b>	<b>38.1%</b>
Traveler accommodations	21.5%
Food services and drinking places	16.6%
<b>Transportation</b>	<b>23.3%</b>
Air transportation	15.4%
Rail transportation	0.4%
Water transportation	1.2%
Interurban bus transportation	0.3%
Interurban charter bus transportation	0.2%
Urban transit systems & other tran.	1.7%
Taxi service	1.0%
Automotive equipment rental & leasing	2.0%
Automotive repair services	0.8%
Parking lots and garages	0.2%
Toll highways	0.1%
<b>Recreation</b>	<b>11.2%</b>
Scenic and sightseeing transportation	0.4%
Motion pictures and performing arts	1.1%
Spectator sports	2.3%
Participant sports	2.4%
Gambling	3.0%
All other recreation and entertainment	2.0%
<b>Retail &amp; Nondurable Goods Production</b>	<b>16.2%</b>
Petroleum refineries	0.6%
Industries producing nondurable PCE commodities, excluding petroleum refineries	4.4%
Wholesale trade & tran. services	4.2%
Gasoline service stations	1.3%
Retail trade services, excluding gasoline service stations	5.8%
<b>Travel Arrangement</b>	<b>7.3%</b>
<b>All other industries</b>	<b>2.2%</b>
<b>Total Tourism Compensation</b>	<b>100.0%</b>

Source: Adapted from Eric S. Griffith and Steven L. Zemanek, "U.S. Travel and Tourism Satellite Accounts for 2005-2008," Survey of Current Business (June 2009): 37, table 6.

<sup>15</sup> The major exception is that the BEA includes the production of consumer non-durables that are sold through retail outlets. This is not a major component and would be even less so at the level of the state.

## RTIM Travel Impact Industries Matched to NAICS

Travel Impact Industry	NAICS Industry (code)
<b>Accommodation &amp; Food Services</b>	Accommodation (721) Food Services and Drinking Places (722)
<b>Arts, Entertainment &amp; Recreation</b>	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487)
<b>Retail</b>	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
<b>Ground Transportation</b>	Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)
<b>Air Transportation</b>	Scheduled Air Passenger Transportation (481111) Support Activities for Air Transportation (4881)
<b>Travel Arrangement Services</b>	Travel Agencies (56151) Tour Operators (56152)

Source: Dean Runyan Associates

## DEMAND SEGMENTS

The distinction between inbound and outbound travel has already been discussed in the previous section and in terms of the concepts of the *visitor industry* and the *travel industry*. Three other types of demand segments that are related exclusively to the *visitor industry* will be discussed here. The first two demand categories are reported by the BEA in their national TTSA. They are: ***leisure versus business travel***, and ***resident versus non-resident travel***. The third demand category is typically reported in the RTIM: ***type of traveler accommodation***. These three demand categories will be discussed in turn.

The distinction between ***leisure versus business travel*** is useful for several reasons. Economists like to distinguish between personal consumption expenditures on the one hand and business expenditures on the other. Indeed, this distinction is central for the National Income and Product Accounts (NIPAs). Those in the travel industry are more likely to be interested in this distinction because leisure travelers represent a more “marketable” segment because their travel choices are less determined by economic and business factors. Furthermore, business and leisure travelers tend to have different spending profiles. The availability of this information in either a state or regional TTSA or RTIM is essentially dependent on the availability of survey data (as it is at the national level). It should be noted, however, that such estimates are considerably less reliable for smaller geographic areas because of the limitations of survey data. Even at the state level, year-to-year changes in the composition of this demand segment should be interpreted in conjunction with other data.

The distinction between ***resident versus non-resident travel*** is fundamental to a national TTSA because it mirrors the distinction between the domestic economy and international transactions. Non-resident travel in the United States is considered an export in the official international transaction accounts.<sup>16</sup> The distinction is obviously also important because it is based on different political, legal, and currency regimes – factors that in themselves influence travel behavior. At the level of the state or region, the distinction between resident and nonresident travel is less important, although it is often reported.<sup>17</sup> There are at least two reasons why this distinction is less useful at state and regional levels.

First, there is considerably less of an economic rationale for distinguishing resident and non-resident travel at the level of the state, or any other political jurisdiction within the United States, than there is at the national level. States do not maintain interstate trade balance sheets that chart the flow of goods and services across state boundaries. From an economic point of view, the administration of the tax system is the primary, if only, reason for this distinction. In the case of travel and tourism, the

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<sup>16</sup> Conversely, the spending of U.S. visitors in other countries is treated as an import in the international transaction accounts.

<sup>17</sup> The issues discussed with regard to the reliability of survey data for leisure versus business travel also applies to this category

evaluation of the tax impacts of resident versus nonresident travel might also be important.<sup>18</sup>

Second, travel is behaviorally defined by length of distance from home (usually at least 50 miles one-way), trip purpose (non-routine), and/or the use of an overnight accommodation away from home. Rarely is domestic travel defined by virtue of crossing a geographic boundary.<sup>19</sup> The operators of tourist attractions in local communities are generally less interested in the origin of visitors than in the revenue that they generate for their businesses. In terms of the economic impacts at the *local* level, the distinction between in-state residents, out-of-state residents and international visitors may not be relevant other than for the purpose of marketing. However, other geographic characteristics of the visitor (e.g., distance traveled, the specific area of origin) are generally more useful measures of the visitor market than whether the visitor is a resident or nonresident.

Finally, the distinction among different ***types of traveler accommodations*** is generally reported in the RTIM. Typically, these categories are:

- Visitors who stay in hotels, motels, B&Bs., and similar lodging facilities
- Visitors who stay at campsites
- Visitors who stay in the private homes of friends or relatives
- Visitors who stay in vacation or second homes
- Visitors who do not stay in overnight accommodations on their trip away from home (day visitors).

These distinctions can be useful because estimates of economic impacts are often used for different purposes. The total of all accommodation types, of course, is an estimate of the total magnitude of the visitor industry. Visitors who stay in commercial lodging such as hotels and motels are most likely to have the greatest economic impact on a person-day basis. These visitors are also more likely to be influenced by marketing efforts. In urban areas, a large proportion will represent business travel. In other words, the type of accommodation category can be used in conjunction with other types of data to analyze the market characteristics of visitors.

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<sup>18</sup> Nonresident visitors who pay taxes in their destination state represent an unambiguous gain for the state. This effect is less clear for resident travelers within the state.

<sup>19</sup> In essence, state level travel impact estimates really represent an aggregation of smaller geographic units, such as counties or regions. Populous states with large landmasses (e.g., California or Texas) will have a higher proportion of resident travel than small states (e.g., Rhode Island or Delaware).

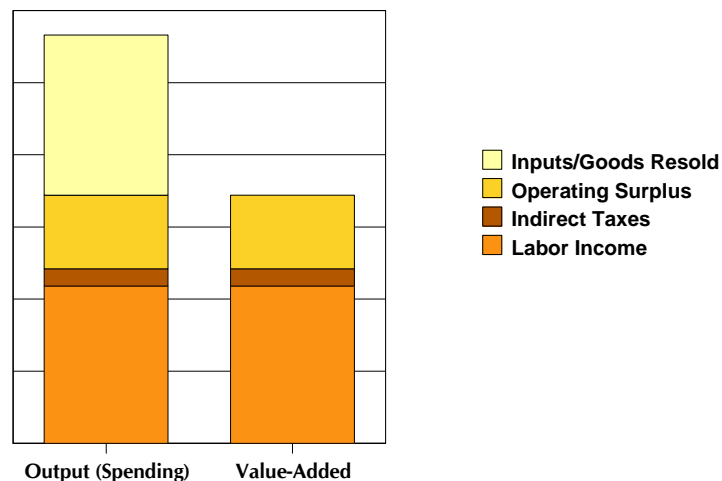
## COMPONENTS OF INDUSTRY OUTPUT

Because both the RTIM and the TTSA are empirically linked to NAICS industry accounts, it is possible to provide estimates of different components of economic output. The major economic components most often estimated are:<sup>20</sup>

- Travel spending (Gross Output)
- Value-added (Gross Product)
- Earnings (labor income)
- Indirect business taxes (sales, excise, property taxes & fees).

The relationship of these components is shown below. As indicated, the value-added of a particular industry (the bar on the right) is equal to gross output (travel spending) minus the intermediate inputs used by travel industry businesses to produce the good or service. Restaurants, for example, prepare and serve the food products that are purchased from suppliers. Airlines purchase or lease airplanes from other firms. These intermediate inputs are not counted as part of the value-added of the travel industry. They are counted as value-added in other industries (e.g., agriculture, aerospace manufacturing).

**Components of Industry Output**



The distinction between gross output and value-added is probably even more important at the state or regional level. This is because the intermediate inputs that are purchased from other industries are even more likely to be purchased from businesses located in different regions or states. The economic impact of air

<sup>20</sup> There are some small differences between the BEA TTSA and the RTIM in what these components include. The BEA allocates proprietor income to Operating Surplus; the RTIM allocates it to Labor Income. The RTIM does not have an estimate of property taxes in indirect taxes. Overall, property taxes on businesses are a relatively small proportion of indirect taxes.



passenger travel in the state of Hawaii should not include the purchase of airplanes manufactured in the United States mainland by Boeing or in Europe by Airbus. Travel industry value-added is a more meaningful measure of the true economic impact visitor spending in Hawaii because some of economic impact of that spending will occur elsewhere.<sup>21</sup>

Value-added can also be viewed in terms of the distribution or payout of industry receipts, exclusive of those paid to other firms for intermediate inputs. Some of the receipts are distributed to labor as wages, benefits, and proprietor income. Some receipts are paid to government as indirect taxes. These taxes are called “indirect” because most of them are actually paid by consumers in the form of sales or excise taxes.<sup>22</sup> The remainder leaves gross operating surplus. Out of gross operating surplus various payments are made in the form of dividends, interest, and other payments, or retained by the firm. The sum of these three broad categories of payments is equal to travel industry value-added. To summarize:

Value-added = Spending *less* intermediate goods & services, or

Value-added = Labor Income *plus* indirect business taxes *plus* gross operating surplus.

The RTIM is similar to the TTSA in that it also provides estimates of these components of economic output. Travel spending, earnings, and tax impacts are generally provided at the state or regional level. Value-added is generally reported at the state-level only (sometimes referred to as Travel Industry Gross Domestic Product). At the level of the state, travel industry value-added or GDP is an important measure – more economically meaningful than travel spending.<sup>23</sup> For smaller geographic areas, however, the rationale for reporting value-added is less clear. First, there are real data limitations and data costs in deriving these estimates. Second, ***the most important components of value added for the travel industry are earnings and tax revenue***. Because the travel industry is relatively labor intensive and because a large proportion of travel industry goods and services are subject to excise and sales taxes, these two components of value-added (labor income and indirect taxes) are relatively high for the travel industry. The local effects of gross operating surplus are generally less important and certainly much more difficult to assess than are earnings and tax impacts. The relevance of earnings and tax receipts is also in keeping the export-oriented emphasis of the travel industry: earnings and tax receipts are more likely to stay in the local economy than is operating surplus.

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<sup>21</sup> It should also be noted the value of the intermediate inputs used by travel industry firms will not necessarily disappear if the travel industry stops buying them. Aerospace firms will shift their production to other users (e.g., military). Agriculture will seek new markets for their products.

<sup>22</sup> Other taxes included here are property taxes, business franchise taxes, and other fees. Income taxes are not included, because they are paid out of operating surplus.

<sup>23</sup> It is also possible to compare different industries with respect to their value-added. It is more difficult and less useful to compare industries on the basis of sales.

## INDIRECT, INDUCED AND SECONDARY EFFECTS

To this point, the discussion of travel industry accounts has referred only to the direct output components. That is, the ripple effects of the re-spending of travel industry receipts throughout the larger economy have not been analyzed. The structure of both the TTSA and the RTIM permit such analysis.

- **Indirect** effects refer to the intermediate inputs used to produce the final product or service, providing that those inputs are themselves produced within the designated geographic area.
- **Induced** effects refer to the purchase of goods and services by *employees* that are attributable to direct and indirect impacts. These induced impacts are derived from economic data that describe the purchasing patterns of households. For example, employees of all the designated export-oriented industries will spend their income on food, household durables, health care, and so on.
- The sum of indirect and induced impacts is sometimes referred to as the **secondary** effect. These secondary impacts may be as great or greater than the direct impact alone.
- The ratio of the total effects (direct plus either indirect, induced, or secondary) to the direct effects is the **multiplier**.

The BEA reports the **indirect** components of economic output. This is equivalent to domestic travel spending less the goods and services imported from abroad to meet domestic demand. For travel, these imports would include souvenirs manufactured in China and petroleum extracted in Saudi Arabia. The indirect output multiplier for 2002 was 1.76. The ratio of domestic travel spending to travel industry value-added was 1.88. The difference reflects the intermediate inputs for travel imported from abroad.

At the state level, these indirect output multipliers are typically lower because relatively more of the intermediate inputs are purchased from outside of the state. At the county or metropolitan level, the multipliers are generally even lower for the same reason. Furthermore, the estimates are usually less reliable because of the data limitations of the regional input-output model used to estimate the indirect effects.

The BEA does not report **induced** effects – the effect of household spending of the direct and indirect labor income. Typically, these induced effects will be larger than the indirect effects at the state or regional level, in part because they are based on both the direct and indirect components.<sup>24</sup> As with indirect effects, the induced effects will also tend to be lower for smaller economic areas and the reliability of the estimates will be less.

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<sup>24</sup> The induced effects can be estimated with the Implan model maintained by the Minnesota Implan Group.

Secondary effects should be interpreted cautiously. These effects describe the relationship of economic transactions at a point in time. These relationships will not necessarily remain constant with a change in direct economic output. This is because all economic resources have alternative uses. Because of this, it is often difficult to determine the effect of an increase or decrease in visitor spending on the larger economic system over time.

#### **THE REGIONAL TRAVEL IMPACT MODEL AND TRAVEL & TOURISM SATELLITE ACCOUNTS COMPARED**

This appendix has provided an overview of Dean Runyan Associates RTIM and the Bureau of Economic Analysis' domestic TTSA. These travel industry accounts are similar in terms of how they define the travel industry and the measures of the industry that are reported. The differences stem largely from their different levels of analysis – the BEA provides estimates at the national level only, while the RTIM's are typically constructed on a state or regional level. Because of this geographic focus, the RTIM provides a distinction between the visitor industry and the travel industry. The RTIM also provides measures of all of the components of economic output and secondary effects at the state or large region level. At smaller units of analysis, however, the emphasis is on earnings and tax receipts generated by travel spending as these are the most reliable and meaningful measures of the economic impact of travel at the local level.



## Arizona Earnings and Employment by Industry Sector, 2008

Industry Sector	Earnings (\$Million)	Percent of Total	Employment (Thousand)	Percent of Total
<b>Primarily Export-Oriented</b>	<b>16,265</b>	<b>10.2%</b>	<b>250</b>	<b>7.3%</b>
Agriculture, Forestry, Fishing and related	1,046	0.7%	43	1.2%
Mining	1,311	0.8%	20	0.6%
Manufacturing	13,908	8.7%	187	5.5%
<i>**Travel</i>	4,940	3.1%	167	4.9%
<b>Primarily Local/Regional</b>	<b>84,995</b>	<b>53.2%</b>	<b>1,921</b>	<b>55.9%</b>
Construction	12,525	7.8%	247	7.2%
Utilities	1,505	0.9%	13	0.4%
Wholesale trade	8,595	5.4%	120	3.5%
Retail trade	12,858	8.0%	393	11.4%
Real estate and rental and leasing	4,250	2.7%	210	6.1%
Management of companies and enterprises	2,437	1.5%	30	0.9%
Administrative and waste services	9,369	5.9%	282	8.2%
Other services, except public administration	5,603	3.5%	167	4.9%
Government and government enterprises	27,853	17.4%	459	13.3%
<b>Mixed</b>	<b>58,556</b>	<b>36.6%</b>	<b>1,267</b>	<b>36.8%</b>
Transportation and warehousing	4,958	3.1%	98	2.9%
Information	3,159	2.0%	52	1.5%
Finance and insurance	10,151	6.4%	190	5.5%
Professional and technical services	12,926	8.1%	221	6.4%
Educational services	2,042	1.3%	60	1.7%
Health care and social assistance	17,545	11.0%	325	9.5%
Leisure and Hospitality	7,777	4.9%	321	9.3%
<b>Arizona Total**</b>	<b>159,816</b>	<b>100.0%</b>	<b>3,437</b>	<b>100.0%</b>

\*\*Travel is not included in the sub and grand totals because it is also represented in other sectors (primarily leisure and hospitality, transportation, and retail trade).



## **Industry Groups for Secondary Impacts**

### **Accommodation & Food Services**

- Food services and drinking places
- Hotels and motels, including casino hotels
- Other accommodations

### **Arts, Entertainment & Recreation**

- Bowling centers
- Fitness and recreational sports centers
- Independent artists, writers, and performers
- Museums, historical sites, zoos, and parks
- Other amusement, gambling, and recreation industries
- Performing arts companies
- Promoters of performing arts and sports and agents for public figures
- Scenic and sightseeing trans and support activities for transportation
- Spectator sports

### **Wholesale & Retail Trade**

- Building material and garden supply stores
- Clothing and clothing accessories stores
- Electronics and appliance stores
- Food and beverage stores
- Furniture and home furnishings stores
- Gasoline stations
- General merchandise stores
- Health and personal care stores
- Miscellaneous store retailers
- Motor vehicle and parts dealers
- Nonstore retailers
- Sporting goods, hobby, book and music stores
- Wholesale trade

### **Transportation**

- Air transportation
- Automotive equipment rental and leasing
- Automotive repair and maintenance, except car washes
- Couriers and messengers
- Rail transportation
- Transit and ground passenger transportation
- Travel arrangement and reservation services
- Truck transportation
- Warehousing and storage
- Water transportation

**Professional Services**

Accounting and bookkeeping services  
Advertising and related services  
All other miscellaneous professional and technical services  
Architectural and engineering services  
Book publishers  
Cable networks and program distribution  
Child day care services  
Civic, social, professional and similar organizations  
Colleges, universities, and junior colleges  
Computer systems design services  
Custom computer programming services  
Data processing services  
Database, directory, and other publishers  
Elementary and secondary schools  
Environmental and other technical consulting services  
Grantmaking and giving and social advocacy organizations  
Home health care services  
Hospitals  
Information services  
Legal services  
Management consulting services  
Management of companies and enterprises  
Motion picture and video industries  
Newspaper publishers  
Nursing and residential care facilities  
Offices of physicians, dentists, and other health practitioners  
Other ambulatory health care services  
Other computer related services, including facilities management  
Other educational services  
Periodical publishers  
Photographic services  
Radio and television broadcasting  
Religious organizations  
Scientific research and development services  
Social assistance, except child day care services  
Software publishers  
Sound recording industries  
Specialized design services  
Telecommunications  
Veterinary services



**Other Services**

- Business support services
- Car washes
- Commercial machinery repair and maintenance
- Death care services
- Drycleaning and laundry services
- Electronic equipment repair and maintenance
- Employment services
- Facilities support services
- General and consumer goods rental except video tapes and discs
- Household goods repair and maintenance
- Investigation and security services
- Lessors of nonfinancial intangible assets
- Machinery and equipment rental and leasing
- Office administrative services
- Other personal services
- Other support services
- Personal care services
- Private households
- Services to buildings and dwellings
- Video tape and disc rental
- Waste management and remediation services

**Government**

- Federal electric utilities
- Federal Military
- Federal Non-Military
- Other Federal Government enterprises
- Other State and local government enterprises
- Postal service
- State & Local Education
- State & Local Non-Education
- State and local government electric utilities
- State and local government passenger transit

**Construction**

- Commercial and institutional buildings
- Highway, street, bridge, and tunnel construction
- Maintenance and repair of farm and nonfarm residential structures
- Maintenance and repair of highways, streets, bridges, and tunnels
- Maintenance and repair of nonresidential buildings
- Manufacturing and industrial buildings
- New farm housing units and additions and alterations
- New multifamily housing structures, nonfarm
- New residential 1-unit structures, nonfarm
- New residential additions and alterations, nonfarm
- Other maintenance and repair construction
- Other new construction
- Water, sewer, and pipeline construction

**Finance, Ins., & Real Estate**

Funds, trusts, and other financial vehicles  
Insurance agencies, brokerages, and related  
Insurance carriers  
Monetary authorities and depository credit intermediation  
Nondepository credit intermediation and related activities  
Real estate  
Securities, commodity contracts, investments

**Mining & Manufacturing**

all mining & manufacturing industries except for food processing

**Agriculture & Food Processing**

farming & manufacturing industries in food processing